



Michigan Automobile Insurance Placement Facility

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BULLETIN NO. 156 TO ALL MEMBER COMPANIES

MAIPF Plan of Operation Amendment

The Michigan Automobile Insurance Placement Facility is in the process of amending its Plan of Operation to correct and update outdated language and to clarify provisions in several areas. We are also updating the definition of Private Passenger Nonfleet Automobile in Section 7. The summary of proposed changes by plan section follows; a marked version of the current Plan and a clean version of the proposed plan may be found on our web site at <http://www.maipf.org/Bulletins/ballot156.asp>.

- SECTION 1** Adds "Michigan" to the description.
- SECTION 2** Replaces outdated language.
- SECTION 3** Changes the provisions for public representatives to match statutory language. Corrects reference to the Commissioner
- SECTION 4** No change.
- SECTION 5** Corrects reference to the Commissioner.
- SECTION 6** Clarifies the name of the Servicing Carrier Agreement.
- SECTION 7** Clarifies that disqualification is a barrier to placing business with the Facility and clarifies which sections of the Facility Manual govern placement of risks. Amends the definition of "private passenger nonfleet automobile".
- SECTION 8** Indicates that applicants with premium due from a prior Facility policy will be placed back with the carrier holding the outstanding balance (to facilitate collection efforts) until the debt is satisfied.
Corrects a reference to OFIS.
- SECTION 9** Corrects a reference to the Servicing Carrier Agreement and clarifies the contractual agreement with servicing carriers for "all other" risks.
- SECTION 10**
 - A. Corrects a typographical error.
 - C. Removes a minimum surplus requirement and replaces it with a requirement of sound financial condition.
 - D. 7. Clarifies language.
8. Removes outdated language and adds reference to claims exchange reports.
9. (marked version) This section is removed to remove outdated language.
10. (marked version / 9. clean version) Clarifies language.
 - F. Clarifies references to General Manager and Facility committees.
 - G. Corrects reference to the Commissioner. Corrects references to Facility publications.
- SECTION 11**
 - E. This section is removed to remove outdated language.
 - H. (marked version/G. clean version) Clarifies that both member companies and the Facility may recoup various assessments from their policyholders.
 - K. (marked version/J. clean version) Deletes the option to pledge securities in order to satisfy an assessment.
- SECTION 12** Clarifies manual references.
- SECTION 13** Clarifies responsibilities of servicing carriers to provide ratemaking data.
- SECTION 14** Clarifies eligibility to receive commissions; replaces outdated language (B); and corrects references from "company" to "servicing carrier".

- SECTION 15** Clarifies availability of deferred payment plans.
- SECTION 16** Corrects a reference to the Commissioner.
- SECTION 17** Removes outdated language.
- SECTION 18** Corrects references from "company" to "servicing carrier"; clarifies commission payment and underwriting responsibilities.
- SECTION 19** Clarifies application requirements for producers; adds "serious and flagrant violations" to grounds for disqualification.
- SECTION 20** Deleted in its entirety.

The MAIPF Board of Governors has already approved this amendment, and it is under review by the Office of Financial and Insurance Services; however, all revisions to the Plan of Operation must also be ratified by a majority vote of the membership. Therefore, we are requesting that you, as a member company, cast your ballot regarding the proposed amendments outlined above.

You may cast your vote on line at <http://www.maipf.org/Bulletins/ballot156.asp> or you may return your ballot to my attention by mail or fax (retrieve vote weights from this same link). **Ballots must be received by January 28, 2005.** If your ballot is not received by that date, it will be assumed that your company voted in the affirmative.

Sincerely,

Terri A. Miller, CPCU
General Manager