

MAIPF PLAN OF OPERATION CHANGES EXPLANATORY MEMORANDUM

- 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- SECTION 2** Replaces outdated language.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*.

The reasons to change the definition are:
- To delete the ambiguous reference to using the words "private passenger" to define "private passenger"
 - To follow the Michigan Department of State vehicle type definitions
 - To clarify that only vehicles with four or more wheels are insurable
 - To strengthen our definition by introducing the qualifier, also found in the insurance code, that the vehicles insured as private passenger be "used for personal, family or household purposes" (MCL 500.503). This would not preclude business use as long as the vehicle was not used exclusively for business, in which case it should be insured as "all other".
- 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 Removes outdated language and adds reference to claims exchange reports.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 (marked version) This section is removed to remove outdated language.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.

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- SECTION 11** E. This section is removed to remove outdated language.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.

We have also amended to plan in several sections to consistently use the term “private passenger nonfleet automobile”.