



# PRODUCER VIOLATION GUIDELINES

## MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY

17456 N. Laurel Park Drive, Suite 130E  
Livonia, Michigan 48152-3981

(734) 464-1100—Phone

(734) 464-0009—Fax

E-Mail: [info@maipf.org](mailto:info@maipf.org)

Web Address: [www.maipf.org](http://www.maipf.org)

### MAILING ADDRESS:

P. O. Box 33617  
Detroit, Michigan 48232-5617

**VIOLATIONS MONITORED BY THE MAIFE**

V70	Missing/ Incomplete Vehicle Inspection Form With Application.
V72	No Deposit/Insufficient Deposit
V74	Missing/Incomplete Ownership Documentation with Application.
V75	Late Application Received According to Certification Procedures.
V76	Applicant's Signature Missing.
V77	Multiple Applications Received With One Check.
V78	Producer's Signature Missing.
V79	Outdated Temporary Certificate of Insurance.
V80	Other Serious and Flagrant Violations.
V81	Retraction Form Not Received in a Timely Manner.

**VIOLATIONS MONITORED BY THE SERVICING CARRIERS**

SC61	Missing/Incomplete Dealer Plate Documentation
SC62	Missing/Incomplete Finance Agreement With Renewal
SC70	Missing/Incomplete Vehicle Inspection Form received with Policy Change Request.
SC72	Insufficient Deposit with a new business application.
SC73	Mid-term addition of vehicle/physical damage submitted without appropriate deposit.
SC74	Missing/Incomplete ownership documentation with additional or replacement vehicle.
SC75	Late Policy Change Request Received According to Certification Procedures.
SC80	Other Serious and Flagrant Violations.

**APPLICATION DEFICIENCIES**

**A completed application is defined as an application that is legible, submitted in duplicate, and completely filled out. Deficiencies will be based on the following missing information.**

D01	Missing duplicate copy of application.
D02	Producer's name, address and complete phone number.
D03	Correct Producer's System ID or Tax Identification Number (TIN).
D04	Applicant's garaging and/or resident address and phone number (or No Phone).
D05	Vehicle Identification Number (VIN).
D06	Symbol, if physical damage coverage is requested.
D07	Make and model year of vehicle.
D08	Cost new of conversion vans and pickups prior to 1990, if physical damage coverage is requested.
D09	Photo and appraisal for vehicles over 15 years of age, if physical damage coverage is requested.
D10	Lienholder name and address, if physical damage is requested.
D11	Full name of all registered owners and/or lessee.
D12	Full name, date of birth, marital status and driver's license number (with name of state) for registered owner and all operators.
D13	Name and policy number of insurance carrier for any other household operator, if applicable.
D14	Territory.
D15	Rate class.
D16	Penalty Points.
D17	Name of employer.
D18	Selection of coverages.
D19	Medical carrier, when coordinating coverage.
D20	Collision coverage not selected and Rejection of Collision not indicated.
D21	Total estimated premium.
D23	Commercial application received without previous carrier information.



**PRODUCER VIOLATION GUIDELINES—MONITORED BY MAIPF**

Violation	Description of Violation	Requirements	What's Accepted
V70	<p align="center"><b>Missing/Incomplete Vehicle Inspection Form With Application.</b></p>	<p><b><u>Private Passenger Vehicles</u></b></p> <p>A completed vehicle inspection form must be submitted with the original application for new business whenever comprehensive or collision coverage is requested. This form is part of MAIPF-03.</p> <p><b><u>Non Fleet Corporately Owned Vehicles (commercial – same guidelines as private passenger vehicles)</u></b></p> <p>A completed vehicle inspection form must be submitted with the change form whenever comprehensive or collision coverage is requested on non fleet private passenger vehicles registered in the name of a business, partnership for unincorporated association. Producers may use either the inspection report attached to the MAIPF-03 or the MAIPF-40.</p> <p><b><u>Taxicabs</u></b></p> <p>A completed <u>taxicab</u> vehicle inspection form (MAIPF-05) must be submitted with the original application for new business whenever collision and/or fire &amp; theft coverage is requested.</p>	<p><b><u>New Vehicles</u></b> - (Vehicles which have not been previously titled, regardless of model year.)</p> <ul style="list-style-type: none"> <li>• Visual inspection (verification of vehicle number).</li> <li>• Manufacturer's direct dealer contact (verification of vehicle number).</li> <li>• Manufacturer's statement of origin (must accompany form).</li> <li>• Manufacturer's dealer bill of sale (must accompany form).</li> </ul> <p><b><u>Used Vehicles</u></b> - (Vehicles which have been previously titled.)</p> <ul style="list-style-type: none"> <li>• Visual inspection (verification of vehicle number).</li> <li>• Verification from licensed used car dealer from which the vehicle was purchased. Licensed dealer's name, address and phone number must be provided along with the name of the contact person at the licensed used car dealer.</li> </ul> <p><b>Note:</b> If the above methods are used for a Used Vehicle Inspection, the verification will apply only on the date that the vehicle was purchased.</p>

Violation	Description of Violation	Requirements	What's Accepted
V72	<p><b>No Deposit/Insufficient Deposit</b></p>	<p><b><u>No Deposit</u></b></p> <p>A deposit check is required with every application. If an application arrives without a check, the Facility will contact the producer and request the deposit check within five days. If the check is received within the required time, no violation will be sent. If the check is not received within that period, the application will be forwarded to the appropriate servicing carrier and a violation will be sent to the producer.</p> <p><b><u>Deposit - Private Passenger</u></b></p> <p>Deposit requirement is \$100 or 40% of the estimated premium; whichever is greater for each vehicle. The Facility reserves the right to require a copy of the rating documentation for all new business for those producers who continue to submit applications with inadequate deposits.</p> <p><b><u>Deposit - Commercial</u></b></p> <p>Deposit requirement for each commercial vehicle is 25% of the estimated annual premium (estimated premiums must be included on or with the application) or the amount indicated in the Facility Manual for each auto. (Next Column)</p>	<p><b><u>Commercial Deposits</u></b></p> <ul style="list-style-type: none"> <li>• \$150 for non-owners coverage.</li> <li>• \$450 for non-owners coverage (intensified delivery)</li> <li>• \$350 for church or school buses and all other public motor vehicles; i.e., private and public liveries (\$600 with physical damage included).</li> <li>• \$450 for "all other" motor vehicles (\$750 with physical damage included).</li> <li>• \$1,150 for long-haul truckers (\$2,600 with physical damage included).</li> <li>• \$5,300 for all other buses (\$5,700 with physical damage included).</li> <li>• \$1,600 for each taxicab (\$2,050 with physical damage included).</li> <li>• \$1,100 for each limousine (\$1,250 with physical damage included).</li> <li>• \$150 per trailer (\$150 with physical damage included).</li> <li>• \$450 per registration plate.</li> </ul>

Violation	Description of Violation	Requirements	What's Accepted
V74	<b>Missing/Incomplete Ownership Documentation With Application.</b>	A copy of the appropriate documentation verifying the owner of the vehicle must be submitted for each private passenger and commercial auto.	<p>Acceptable ownership documentation is any of the following:</p> <ul style="list-style-type: none"> <li>• Copy of Vehicle Registration (Not expired more than 90 days)</li> <li>• Copy of the RD-108 (Not more than 90 days old)</li> <li>• Copy of Vehicle Title (front and back)</li> <li>• Application for Title (Validation Date-Not more than 90 days old)</li> </ul> <p>The following temporary documentation is acceptable if it is dated within 90 days of the application, on dealership letterhead and includes the owner's name; vehicle year, make and model; and vehicle identification number:</p> <ul style="list-style-type: none"> <li>• Bill of Sale</li> <li>• Buyers order, retail buyers order or buyers agreement</li> <li>• Lease Agreement</li> <li>• Purchase Agreements or Purchase Order</li> <li>• Retail Buyers Order</li> </ul> <p>For a private sale, acceptable documentation is a copy of the title (front and back), signed and dated for the sale.</p>
V75	<b>Late Application Received According to Certification Procedures.</b>	<p>Applications should be mailed to the Facility no later than the next working day (by first class mail) after the application is completed and executed.</p> <p>Applications that are hand delivered to the Facility must be received in the Facility office within one working day after it is completed and executed</p>	The postmark date, which will be recognized by the Facility, shall be the postmark of the USPS. A meter stamp, electronic stamp or any other postal service or stamp is not considered a postmark of the USPS.
V76	<b>Applications Submitted Without the Signature of the Applicant</b>	Applications must include the signature of the applicant.	
V77	<b>Multiple Applications Submitted With One Check</b>	The Facility requires one check or one money order for each application.	

Violation	Description of Violation	Requirements	What's Accepted
V78	<b>Applications Submitted Without the Signature of the Producer</b>	Applications must include the signature of the Producer.	
V79	<b>Outdated Temporary Certificate of Insurance</b>	Producers must issue a current edition of the temporary certificate of insurance (MAIPF-01).	Original copies of the MAIPF-01 which can be order by phone, fax or through the secure site at <a href="http://www.maipf.org">www.maipf.org</a> Certificates cannot be photocopied or faxed.
V80	<b>Other Serious and Flagrant Violations</b>	<ul style="list-style-type: none"> <li>• Not Forwarding All Monies Collected from Insured in a Timely Manner</li> <li>• Material and willful misrepresentation or falsified information on the part of the producer.</li> <li>• Submission of producers' personal or agency checks for new business, payments or endorsements after the producer has been placed on a certified check or money order basis.</li> <li>• Allowing solicitation of Facility business on the producer's behalf by unauthorized and/or unlicensed persons.</li> <li>• Facility temporary certificate issued, and the JUA application was never received at the Facility office.</li> <li>• Non compliance with Facility rules after a producer hearing.</li> <li>• Any application received in our office that is signed by an <b>unauthorized</b> producer.</li> <li>• Any other serious offense not specifically defined.</li> </ul>	
V81	<b>Retraction Form Not Received in a Timely Manner</b>	<p>An EARS application may be retracted provided the producer hasn't issued a temporary certificate of insurance (MAIPF-01). The application may be retracted if:</p> <ol style="list-style-type: none"> <li>1. The applicant has notified the producer that coverage through the Facility is no longer required.</li> <li>2. An error was made in the information provided or</li> <li>3. The producer submitted multiple applications for the same risk.</li> </ol>	Producers are required to submit a completed retraction request form and forward it to the Facility no later than one working day after the date the application is voided. Failure to submit the retraction form within these guidelines will result in a producer violation. The retraction request form can be found in the EARS section of the MAIPF secure site at <a href="http://www.maipf.org">www.maipf.org</a> .



**PRODUCER DEFICIENCY GUIDELINES—MONITORED BY MAIPF**

Violation	Description of Deficiency	Requirements	What's Accepted
D01-D23	Deficiency Program	<p>Deficiencies will be based on the following missing information.</p> <ol style="list-style-type: none"> <li>1. Duplicate copy of application.</li> <li>2. Producer's name, address and complete phone number.</li> <li>3. Correct Producer's System ID or Tax Identification Number (TIN).</li> <li>4. Applicant's garaging and/or resident address and phone number (or No Phone).</li> <li>5. Vehicle Identification Number (VIN).</li> <li>6. Symbol, if physical damage coverage is requested.</li> <li>7. Make and model year of vehicle.</li> <li>8. Cost new of conversion vans and pickups prior to 1990, if physical damage coverage is requested.</li> <li>9. Photo and appraisal for vehicles over 15 years of age, if physical damage coverage is requested.</li> <li>10. Lienholder name and address, if physical damage is requested.</li> <li>11. Full name of all registered owners and/or lessee.</li> <li>12. Full name, date of birth, marital status and drivers license number (with name of state) for registered owner and all operators, regardless of where they reside.</li> <li>13. Name and policy number of insurance carrier for any other household operator, if applicable.</li> <li>14. Territory.</li> <li>15. Rate Class.</li> <li>16. Penalty Points.</li> <li>17. Name of employer.</li> <li>18. Selection of coverages.</li> <li>19. Medical carrier, when coordinating coverage.</li> <li>20. Collision coverage not selected and Rejection of Collision not indicated.</li> <li>21. Total estimated premium.</li> <li>23. Commercial application received without previous carrier information.</li> </ol>	



**PRODUCER VIOLATION GUIDELINES—MONITORED BY THE SERVICING CARRIERS**

Violation	Description of Violation	Requirements	What's Accepted
SC61	<b>Missing/Incomplete Dealer Plate Documentation</b>	Documentation is required to verify the number of dealer plates held by a commercial operation.	A copy of the application for dealer plates that was submitted to the Secretary of State.
SC62	<b>Missing/Incomplete Finance Agreement With Renewal</b>	A copy of the finance agreement with renewal payment.	Signed & completed finance agreement submitted with a renewal payment.
SC70	<b>Missing/Incomplete Vehicle Inspection Form Received With Policy Change Request.</b>	<p><b><u>Private Passenger Vehicles</u></b></p> <p>A completed vehicle inspection form must be submitted with the change form whenever comprehensive or collision coverage is requested:</p> <ul style="list-style-type: none"> <li>• on additional coverage on an existing vehicle, and/or</li> <li>• on an additional or replacement vehicle.</li> </ul> <p><b><u>Non Fleet Corporately Owned Vehicles (commercial – same guidelines as private passenger vehicles)</u></b></p> <p>A completed vehicle inspection form must be submitted with the change form whenever comprehensive or collision coverage is requested on non fleet private passenger vehicles registered in the name of a business, partnership for unincorporated association. Producers may use either the inspection report attached to the MAIPF-01 or the MAIPF-40.</p> <p><b><u>Taxicabs</u></b></p> <p>A completed <u>taxicab</u> vehicle inspection form (MAIPF-05) must be submitted with the change form whenever collision and/or fire &amp; theft coverage is requested.</p>	<p><b><u>New Vehicles</u></b> - (Vehicles which have not been previously titled, regardless of model year.)</p> <ul style="list-style-type: none"> <li>• Visual inspection (verification of vehicle number).</li> <li>• Manufacturer's direct dealer contact (verification of vehicle number).</li> <li>• Manufacturer's statement of origin (must accompany form).</li> <li>• Manufacturer's dealer bill of sale (must accompany form).</li> </ul> <p><b><u>Used Vehicles</u></b> - (Vehicles which have been previously titled.)</p> <ul style="list-style-type: none"> <li>• Visual inspection (verification of vehicle number).</li> <li>• Verification from licensed used car dealer from which the vehicle was purchased. Licensed dealer's name, address and phone number must be provided along with the name of the contact person at the licensed used car dealer.</li> </ul> <p><b>Note:</b> If the above methods are used for a Used Vehicle Inspection, the verification will apply only on the date that the vehicle was purchased.</p>

Violation	Description of Violation	Requirements	What's Accepted
SC72	Insufficient Deposit with a new business application.	<p><b><u>Deposit - Private Passenger</u></b></p> <p>Deposit requirement is \$100 or 40% of the estimated premium; whichever is greater for each vehicle. The Facility reserves the right to require a copy of the rating documentation for all new business for those producers who continue to submit applications with inadequate deposits.</p> <p><b><u>Deposit - Commercial</u></b></p> <p>Deposit requirement for each commercial vehicle is 25% of the estimated annual premium (estimated premiums must be included on or with the application) or the amount indicated in the Facility Manual for each auto. (Next Column)</p>	<p><b><u>Commercial Deposits</u></b></p> <ul style="list-style-type: none"> <li>• \$150 for non-owners coverage.</li> <li>• \$450 for non-owners coverage (intensified delivery)</li> <li>• \$350 for church or school buses and all other public motor vehicles; i.e., private and public liveries (\$600 with physical damage included).</li> <li>• \$450 for "all other" motor vehicles (\$750 with physical damage included).</li> <li>• \$1,150 for long-haul truckers (\$2,600 with physical damage included).</li> <li>• \$5,300 for all other buses (\$5,700 with physical damage included).</li> <li>• \$1,600 for each taxicab (\$2,050 with physical damage included).</li> <li>• \$1,100 for each limousine (\$1,250 with physical damage included).</li> <li>• \$150 per trailer (\$150 with physical damage included).</li> <li>• \$450 per registration plate.</li> </ul>
SC73	Mid-Term Addition of Vehicle/Physical Damage Submitted Without Appropriate Deposit.	<p>Deposits are required for all vehicles added or physical damage coverage added mid-term. Required deposit is identical to the required initial deposit premium as indicated in the Premium Payment Requirements.</p> <p>For policies whose expiration date is sixty days or less from the effective date of the additional vehicle or physical damage coverage request, such change in vehicles or coverages must be accompanied by 100% of the premium for the remainder of the policy period.</p>	

Violation	Description of Violation	Requirements	What's Accepted
SC74	<p><b>Missing/Incomplete Ownership Documentation Submitted With Additional or Replacement Vehicle.</b></p>	<p>A copy of the appropriate documentation verifying the owner of the vehicle must be submitted for each private passenger and commercial auto.</p>	<p>Acceptable ownership documentation is any of the following:</p> <ul style="list-style-type: none"> <li>• Copy of Vehicle Registration (Not expired more than 90 days)</li> <li>• Copy of the RD-108 (Not more than 90 days old)</li> <li>• Copy of Vehicle Title (front and back)</li> <li>• Application for Title (Validation Date-Not more than 90 days old)</li> </ul> <p>The following temporary documentation is acceptable if it is dated within 90 days of the application, on dealership letterhead and includes the owner's name; vehicle year, make and model; and vehicle identification number:</p> <ul style="list-style-type: none"> <li>• Bill of Sale</li> <li>• Buyers order, retail buyers order or buyers agreement</li> <li>• Lease Agreement</li> <li>• Purchase Agreements or Purchase Order</li> <li>• Retail Buyers Order</li> </ul> <p>For a private sale, acceptable documentation is a copy of the title (front and back), signed and dated for the sale.</p>
SC75	<p><b>Late Policy Change Request Received According to Certification Procedures.</b></p>	<p>Policy change request forms (MAIPF-36) should be mailed to the Servicing Carrier no later than the next working day (by first class mail) after the policy change request form is completed and executed.</p>	

Violation	Description of Violation	Requirements	What's Accepted
SC80	<p><b>Other Serious and Flagrant Violations</b></p>	<ul style="list-style-type: none"> <li>• Not Forwarding All Monies Collected from Insured in a Timely Manner</li> <li>• Servicing Carriers will report all written complaints with supporting documents to the Facility.</li> <li>• Producer will be contacted for an explanation. Once information is verified, it will be referred to the Producer Performance Subcommittee.</li> </ul> <p><b>Violations that should be reported to the Facility as serious and flagrant (along with necessary back up) are as follows:</b></p> <ul style="list-style-type: none"> <li>• Material and willful misrepresentation or falsified information on the part of the producer.</li> <li>• Submission of producers' personal or agency checks for new business, payments or endorsements after the producer has been placed on a certified check or money order basis.</li> <li>• Verifying through a vehicle inspection form that a vehicle was visually inspected and, upon investigation, the servicing carrier finds that the vehicle does not exist.</li> <li>• Allowing solicitation of Facility business on the producer's behalf by unauthorized and/or unlicensed persons.</li> <li>• Facility Temporary Certificate issued, and the JUA application was never received at the Facility office.</li> <li>• Late applications followed by a claim situation. If pattern is apparent a producer hearing may be scheduled.</li> <li>• Conflicting Information Regarding Classification From Producer and Applicant.</li> <li>• Any application received in our office that is signed by an <b>unauthorized</b> producer.</li> </ul>	

## DISHONORED PRODUCER CHECK(S)

<b>First Occurrence</b>	<p><b>Single Dishonored Check</b> – The producer will receive a warning letter requesting reimbursement of the dishonored funds. If the funds are replaced, no further action is taken. If the funds are not replaced, the matter will be turned over to the General manager for further action.</p> <p><b>Multiple Dishonored Checks Within a One Year Period</b> – The producer will be advised that all transactions regarding Facility business including payments to the servicing carriers must be made in the form of a cashier's check, money order or the applicant/insured's check for a period of <b>six months</b>. If during that time, a producer continues to submit their own check, they will be in non compliance of the requirement and their time will be extended to <b>one year</b>. If the funds are not replaced, the matter will be turned over to the General Manager for further action.</p>
<b>Second Occurrence</b>	<p><b>Notification of a Dishonored Check After a First Offense</b> – The producer will be advised that all transactions regarding Facility business including payments to the servicing carriers must be made in the form of a cashier's check, money order or applicant/insured's check for a period of <b>one year</b> from the date we were notified. If during that time, a producer continues to submit their own check, they will be in non compliance of the requirement and their time will be extended to <b>two years</b>. If the funds are not replaced, the matter will be turned over to the General Manager for further action.</p>
<b>Third Occurrence</b>	<p><b>Notification of a Dishonored Check after a Second Offense</b> – The producer will be advised that all transactions regarding Facility business including payments to the servicing carriers must be made in the form of a cashier's check, money order or the applicant/insured's check for a period not less than <b>two years</b> from the date we were notified and will be released from the requirement only at the discretion of the General Manager. If the funds are not replaced, the matter will be turned over to the General Manager for further action.</p>
<b>Habitual Occurrence</b>	<p><b>Notification of a Dishonored Check After Third Offense</b> – The producer will be considered a habitual offender and will be advised that only cashier's checks, money orders or the applicant/insured's check will be acceptable for transacting Facility business including payments to the servicing carriers. This is a <b>permanent</b> requirement of the producer.</p>



## VIOLATION THRESHOLDS

### 1<sup>st</sup>. THRESHOLD

Producers will be contacted by letter or phone call after receiving three violations of the same type in any twelve-month period.

### 2<sup>nd</sup> THRESHOLD

Producers who receive additional violations of the same type within 12 months after reaching the first threshold will be referred to the Producer Performance Committee for their review.

## DEFICIENCY THRESHOLD

Ten deficiencies will be considered as one violation. Each application with missing information will be considered one deficiency, regardless of the amount of items that are missing.

### THRESHOLD

Four violations (40 deficiencies) in any twelve-month period will be referred to the Producer Performance Subcommittee for their action.

## PRODUCER DISQUALIFICATION

Effective October 26, 2001, **Public Act 140** was signed by the Governor, which allows the Facility to disqualify a producer from placing new business through the MAIPF if the producer persistently violates the Facility's rules.

The Facility shall maintain a record of infractions of performance standards and shall bring repeated violations to the producer's attention via telephone and/or a letter to the producer. This contact will include a warning that if violations continue to occur, the producer may be disqualified.

If repeated violations have occurred, the facility shall determine if a hearing is warranted, and shall so notify the producer. If repeated violations continue after the hearing, the Facility will refer the producer to the Board of Governors (or its designee) and shall provide the Board (or its designee) with a history of the producer's violations.

The Board of Governors (or its designee) shall determine if the Facility should continue to monitor the producer, or if the producer should be disqualified from submitting new business applications. The term of disqualification will be determined based upon the number and type of violations.

For additional information, refer to the Facility Plan of Operation.