



Michigan Automobile Insurance Placement Facility

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April 14, 2006

BULLETIN NO. 161 TO ALL MEMBER COMPANIES

Re: MAIPF Plan of Operation Amendment

For the first time since the MAIPF became a JUA in 1981, there has been a shift in the top five auto carriers in Michigan. In view of our current low application count and the time and expense (ultimately passed on to insurance consumers) required to add a new servicing carrier, the Michigan Automobile Insurance Placement Facility is proposing to amend its Plan of Operation to address the changing market.

The proposed amendments would separately define *Servicing Carrier* and *Active Servicing Carrier* as distinct categories. Active Servicing Carriers would function as do servicing carriers today; except that in special *Low Volume Periods*, the Facility board would be authorized to appoint as few as three such carriers. The balance of the statutorily-required appointments would be Servicing Carriers who would still be appointed (and at-the-ready) but would not receive assignments until the board changed their designation to *Active Servicing Carrier*. It is important to note that regardless of servicing carrier status, the base rates for the top five carriers will determine Facility base rates. The MAIPF Board of Governors will be responsible for making the designations annually and provide adequate notice so that insurers and the Facility would have the lead-time necessary to take care of administrative details.

The MAIPF Board of Governors and the Office of Financial and Insurance Services have already approved this amendment; however, all revisions to the Plan of Operation must 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 amendment outlined above. A copy of the proposed language is enclosed for your review.

Companies may cast their weighted vote on line at <http://www.maipf.org/Bulletins/ballot161.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 **May 5, 2006**. If your ballot is not received by that date, we will assume that your company voted in the affirmative.

Sincerely,

Terri A. Miller

Terri A. Miller, CPCU
General Manager