



**Michigan Automobile Insurance Placement
Facility
Fall 2016 Newsletter**

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The Whole Truth, and Nothing But the Truth!

It's more important than ever to counsel your applicants to complete all of the questions on an application truthfully.

A recent Michigan Court of Appeals case, *Bazzi v. Sentinel Insurance Company*, may result in holding vehicle owners, and even sometimes their insurance agents, financially accountable when a misrepresentation made by an insured leads to the rescission of a policy by an insurer. (A rescission means a policy is voided – as if it never existed – and no coverage is afforded.) In those cases, if a different insurer or the Michigan Assigned Claims Plan (MACP) is required to pay for an innocent third party's claim, the insurer and/or the MACP may seek reimbursement of expenses from the responsible party – the person who was responsible for insuring the vehicle. If an agent has knowledge of, or participates in, a misrepresentation made by an insured that leads to the rescission of a policy by the insurer, that agent may be held financially responsible as well.

The statement that applicants attest to when they sign an MAIPF application reads, in part:

I hereby certify that the information given in this application is true. I realize that any false or misleading information or failure to disclose required information will not be considered good faith on my part, may prejudice my application for insurance, and may lead to rejection, cancellation or rescission to the date of issue of my insurance policy.

Material misrepresentations that lead to policy rescissions can include, but are not limited to, hiding accidents and violations, using a false address to reduce premiums, insuring a vehicle on behalf of another person with a poor driving history to reduce premiums, or failing to report all household operators. There is no time limit on a rescission; an insurer may rescind a policy back to its original inception date if the misrepresentation is discovered later, usually during the investigation of a claim.

It has never been more important to correctly and truthfully complete applications for coverage and to reject inappropriate requests from applicants to hide or misrepresent rating factors.

A Fond Farewell

After a 38-year career with the MAIPF, Processing Manager Nina Hier will be retiring soon. Nina started her career as a typist and moved up in skills and responsibilities to eventually manage the entire MAIPF Processing operation. She saw us through times of both very high and very low application volumes in a very efficient manner and serves as a great role model for her staff. She is highly skilled in rating and customer service and she will be greatly missed by all of her colleagues as well as by producers and agency staff members.

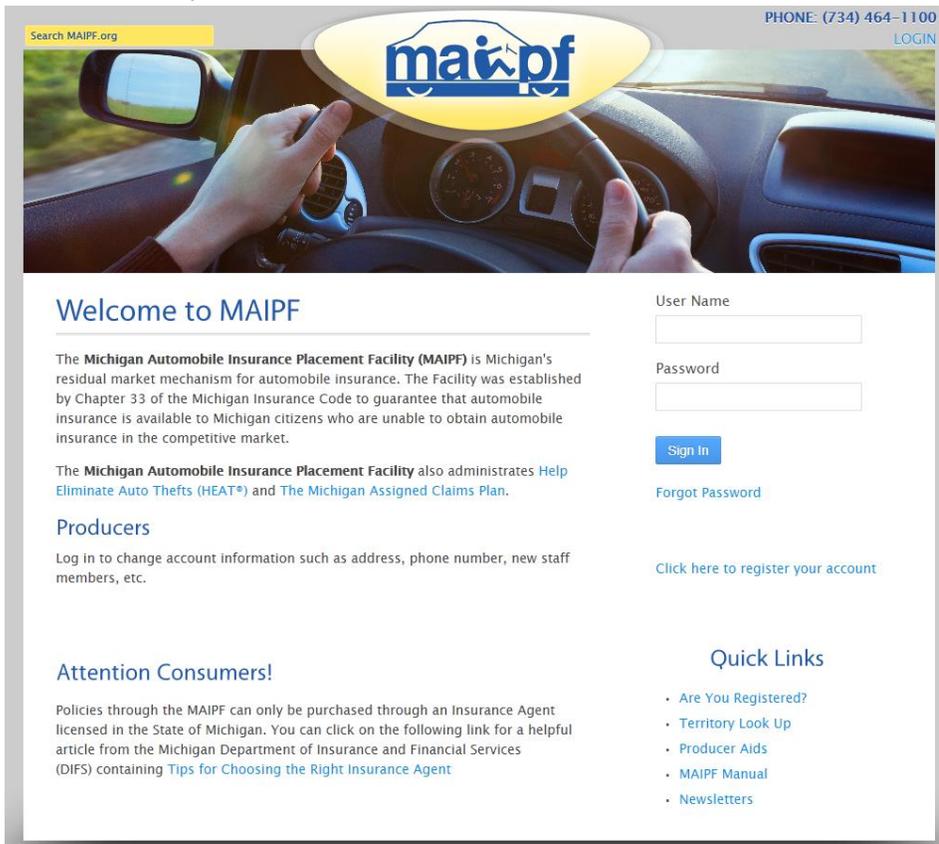
Stepping into her big shoes is Allison McCubbin. Allison joined MAIPF earlier this year after working in customer support and commercial rating roles with one of our servicing carriers. She has worked closely with Nina and is ready to provide excellent service and support to all of our producers and servicing carrier partners.

Please join us in wishing them both well as they assume their new roles!

A New Look to MAIPF.org Coming Soon...

MAIPF will be launching a new website in the coming months. There are many improvements:

- Simplified navigation
- User maintenance through the “My Account” feature
- All producer tools available on one page
- Here is a sneak peek...



The screenshot displays the MAIPF website interface. At the top, there is a search bar with the text "Search MAIPF.org" and a phone number "PHONE: (734) 464-1100" with a "LOGIN" link. The main header features the MAIPF logo over a background image of a car's interior. Below the header, the page is divided into several sections:

- Welcome to MAIPF**: A section with a horizontal line, followed by a paragraph describing the Michigan Automobile Insurance Placement Facility (MAIPF) as Michigan's residual market mechanism for automobile insurance, established by Chapter 33 of the Michigan Insurance Code. It also mentions that MAIPF administers Help Eliminate Auto Thefts (HEAT®) and The Michigan Assigned Claims Plan.
- Producers**: A section with a sub-heading "Log in to change account information such as address, phone number, new staff members, etc." and a "Sign In" button. There is also a "Forgot Password" link.
- Attention Consumers!**: A section with a paragraph stating that policies through MAIPF can only be purchased through an Insurance Agent licensed in the State of Michigan. It includes a link to a helpful article from the Michigan Department of Insurance and Financial Services (DIFS) containing "Tips for Choosing the Right Insurance Agent".
- Quick Links**: A list of links including "Are You Registered?", "Territory Look Up", "Producer Aids", "MAIPF Manual", and "Newsletters".

More details will be provided in the upcoming months.

Check Application Status

Did you know... that you can check the status of your submitted applications? Once you login at www.maipf.org, click on the "Check App Status" to see if your submitted applications have been assigned to a servicing carrier.

The screenshot shows the MAIPF website interface for registered producers. At the top, there is a navigation menu with links for Home, MAIPF, Producers, Servicing Carriers, Board & Member Companies, Private Passenger Rating, Commercial Rating, and Contact. Below the navigation, there is a header area with 'Home' and 'Notice History' tabs. The main content area is titled 'Site for Registered Producers' and includes a 'LOGOUT' button and a 'Check App Status' button, which is highlighted with a red box. Below this, there are several sections of tools and forms:

- Producer Tools**
 - Application Tools**: Application Checklist, Verify Outstanding Premium
 - Producer Account Tools**: Change Address, Agency Management, Sell/Transfer Business, Add/Remove Producers, Change Password
- MAIPF Rating Tools**
 - EASI**: Private Passenger Electronic Application & Rating System
 - Quick Quote**: Quick Quote for Private Passenger & Corporately Owned PPNF
 - CARS**: Commercial Application & Rating System

Both EASI & CARS allow producers to submit MAIPF applications via the Internet. Both have the ability to quote, save and reprint applications. EASI has VIN validation.

[EASI Instruction Brochure](#) [How to Use CARS?](#)
- MAIPF Forms**
 - MAIPF-03**: Private Passenger Application
 - MAIPF-04**: Commercial Application *
 - MAIPF-04a**: Commercial Vehicle Schedule
 - MAIPF-04b**: Change in Ownership - Commercial Risks
 - MAIPF-05**: Vehicle Inspection Form for **Taxicabs**
 - MAIPF-06**: Passenger Vehicle Questionnaire
 - MAIPF-36**: Policy Change Form
 - MAIPF-40**: Vehicle Inspection Form for PP
 - MAIPF-60**: Declaration of Intention to Reside
 - ACORD 139 MI**: MAIPF Supplement

* Producers may submit ACORD forms 125 (Commercial Application) and 139MI (MAIPF Supplement)
- ORDER SUPPLIES**

Private Passenger Rate Revision – Effective 1/1/2017

There will be no base rate change for Private Passenger vehicles in January. However, there are several other changes that will impact rating:

- Additional charges to PIP will increase to \$150 per vehicle
- New model years will be added to the rating tables
- PIP factor adjustments were made to rate classes for adults 65 and older

Commercial Auto Rate Revision – Effective 1/1/2017

As a result of unfavorable loss experience, base rates for commercial vehicles will increase as indicated:

Risk Type	% Change
Trucks, Tractors, and Trailers	+15.1%
Public Autos Excluding Taxicabs	+22.5%
Taxicabs	+15.2%
Private Passenger Types	+18.5%
Zone Rated Risks	+24.2%
Employer Non-Owned	+41.1%
Physical Damage – Comp and Collision	+ 6.4%
Grand Total	+22.5%

Proof of Ownership for Commercial Lines Applications

Due to the limitations placed on the MAIPF by Michigan statute, we are unable to insure commercial vehicles that are not “registered or to be registered” in Michigan. ***As a result, a copy of the Michigan Registration is required for each vehicle on trucking policies. Vehicles will not be added to the policy without an acceptable Michigan vehicle registration.*** An expired Michigan Registration is acceptable if it has expired no more than 90 days prior to date of the application. This will be enforced for both new business and endorsements.

For commercial vehicles ***other than truckers***, the following documentation is acceptable if the Michigan Registration is not available:

- Copy of the Vehicle Registration (Not expired more than 90 days prior to the date of the application); or
- Copy of the RD-108 (Not more than 90 days old prior to the date of the application); or
- Application for Title (Validation Date-Not more than 90 days old prior to the date of the application); or
- The following temporary documentation is acceptable if it is on dealership letterhead, dated within 90 days of the application, and includes the owner’s name, vehicle year, make and model and vehicle identification number:
 - Bill of Sale
 - Buyer’s Order, Retail Buyer’s Order or Buyer’s Agreement
 - Lease Agreement
 - Purchase Agreements or Purchase Order

Once the Michigan Registration is available, a copy must be submitted to the carrier.

MARS



We are excited to announce the new MAIPF Automobile Rating System, MARS. Phase One is Commercial Automobile Rating, to be launched in December 2016.

To ensure a smooth transition, we will be launching one risk classification at a time. The first risk classification will be our stand-alone Employee Non-Owned and Hired Auto policies. CARS will continue to be available for the remaining risk classifications throughout the transition period.

MARS comes with many features that will allow each user to have a more positive experience while rating with MAIPF.

Here are some things you can look forward to:

- Once fully launched, MARS Commercial Auto will allow producers to quote multiple risk types under one application.
- The rating system will guide you to the appropriate risk classification based on the vehicle type and usage.
- Producers will have the opportunity to easily search for a pending application to review the status; whether the application is in progress or has been submitted, and whether a submitted application has been assigned or retracted.
- Each quote will have a detailed outline of the premium for the total application, as well as a breakdown for each risk type if multiple risks are selected for one application.

More details will be provided as we get closer to our launch date.

Postage Matters!

In order to ensure the applications are received within the timeframe required in the MAIPF Manual, ***please confirm that sufficient postage has been applied to the envelope.*** If an envelope is delayed due to insufficient postage, the effective date of coverage can also be delayed – meaning a loss in the interim would not be covered. Don't risk having to cover a claim yourself by not checking the postage.

Please see the requirements below and the impact a late application will have on the requested policy effective date:

Private Passenger

- Upon completion, the producer forwards the application, deposit and any other applicable documentation to the Facility **no later than the next business day** by first-class mail with the correct amount of postage.

- If the application is not mailed within one business day, or is delayed due to an incorrect mailing address or insufficient postage, **coverage will take effect on 12:01 A.M. on the day the application arrives in our office** unless a future effective date was requested on the application.
- If the application is hand delivered to us, but is received more than one business day after it was completed, coverage will begin at **12:01 A.M. on the day after the application arrives in our office** unless a future effective date was requested on the application.
- If no date is indicated on the application, coverage will take effect on 12:01 A.M. on the day after the application arrives in our office unless a future effective date was requested on the application.

Commercial

- Mail or hand deliver the application to the MAIPF **by the next business day**.
- If these conditions are not met, coverage will take effect at **12:01 A.M. on the day after the application arrives in our office** unless a future effective date is indicated on the application.

The MAIPF cannot be held responsible for mailing delays caused by insufficient postage. We urge you to prevent potential claims issues by verifying that there is sufficient postage on your envelopes before mailing.

HEAT®(Help Eliminate Auto Thefts) Update

 <p>www.1800242HEAT.com</p>	Help Eliminate Auto Thefts by reporting Auto Theft & Auto Related Crimes	
	Call the 24/7 HEAT [→] Confidential Tip Line 1-800-242-HEAT OR Report Tips Online!	Contact us for HEAT [→] Info and to Order Supplies

How To Contact Us

MAIPF Applications & General Correspondence	Drop off applications at our office Monday through Friday, 8:00 A.M. to 4:20 P.M.
MAIPF P.O. Box 532318 Livonia, MI 48153-2318	17456 Laurel Park Drive N., Suite 130 E, Livonia MI 48152-3981. Our office is near 6 Mile Road & I-275. Our parking lot is adjacent to Laurel Park Mall.

We Want To Hear From You

Your feedback is especially important to us and we want to hear from you. Please share with us your experience, good or bad with any Facility related item; our website, rating programs and employee support. Send us your comments at info@maipf.org