



## Michigan Automobile Insurance Placement Facility Spring 2014 Newsletter

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**\*IMPORTANT NEWS\***  
**Premium Financing No Longer Accepted by MAIPF as of JULY 1, 2014**

Due to a large number of customer and billing issues, MAIPF will not accept premium financing as a method of payment with applications or renewals effective July 1, 2014 and later. Applications received with a premium finance check will be assigned; however, no money will be applied to the policy. The MAIPF will return the premium finance check (and finance agreement) to the producer. The servicing carrier will set up the policy to cancel flat with no commission due the producer. The producer will be required to reapply to the MAIPF with a new application along with an acceptable form of payment.

**Effective July 1, 2014 - Copy of Health Card Required**

Effective July 1, 2014, applicants who may be eligible for a reduced PIP premium due to having other health care coverage will be required to provide a copy of the health card. Producers will be required to make a legible copy of the health card and submit it with the application.

A copy of the health card will be required with these PIP selections:

- Coordinated Med
- Coordinated Med & Wage

As a reminder, applicants cannot coordinate PIP with Medicare or Medicaid.

Failure to submit a copy of the health card (when applicable) will result in a producer violation.

**Application Trends**

We are still dealing with very high application volumes. Through April 2014, we have received 8,195 private passenger applications and 188 commercial applications, an overall decrease of 6.2% from the same period in 2013.

## MAIPF Board of Governors Elections

At the March 20th Annual Meeting, MAIPF member companies elected the following insurers to the Board of Governors for the 2014/2015 term: Amerisure, Allstate, Auto Club, Auto-Owners, Citizens, Farm Bureau and State Farm.

The current Insurance Director appointees are: Producer Representatives – Cheri Locker and LeRoy Bostic; and Public Representatives – Sandra Liddle and Laura Quinn.

## MAIPF Hires Three New Employees

We are pleased to announce the addition of three new employees.

**Denise Mahn** was hired in late 2013 as a Facility Support Specialist. Denise is a real “people person” and comes to us with a strong background in human resources and accounting. Her diverse background helps fill a void that was needed for additional support in application processing, rating, accounting as well as customer support.

**Christina Simpson** is our newest Facility Support Specialist. Christina previously worked at a State Farm agency and brings her knowledge of the insurance industry and some great organizational skills with her. She was quickly trained on MAIPF rating and processing and will soon be assisting as a customer service rep. Christina will also be involved in researching and evaluating product opportunities for both the MAIPF and the HEAT® Program.

**Matthew Deane** is a recent graduate of Wayne State University with a degree in Finance. He is filling a new role at MAIPF as a Product and Compliance Analyst reporting to the Product Manager. Matt will be handling filings, completing data analysis and working on various special projects. Matt will also assist the Facility Support Specialists with handling producer calls and processing applications during high volume periods.

Please help us welcome Denise, Christina and Matt to the MAIPF team.



## Get Ready for EASi

We are continuing to work on the roll out of our new rating product, **Electronic Application Submission Interface (EASi)**, which will replace our current electronic application, EARS. Here are just some of the features to look forward to:

- **EASi** permits producers to calculate an estimated premium online for all private passenger risks.
- Producers can get a quick quote which can be saved and retrieved at a later date.
- **EASi** can carry forward information from a quick quote to an application.
- Producers can validate VIN numbers online during **EASi** app entry for most private passenger vehicles.
- With edits built into **EASi's** system, application deficiencies will be greatly reduced.
- **EASi** permits producers to save partially completed applications online for retrieval at a later time.
- **EASi** permits producers to reprint previously submitted applications.

While we are putting the finishing touches together here, there are some things that you should prepare for. The most important thing for you to know is that the two rating systems of EARS and EASi are totally independent of each other; therefore, once EASi goes live:

- The EARS data for a saved application will not be accessible. A new application will need to be recreated in EASi.
- The EARS data for an archived application will not be accessible. A new application will need to be recreated in EASi.
- Producers will be able to reprint a submitted EARS app within the first 120 days after the EASi launch.
- The EARS link in our secure site will be removed after 120 days of the EASi launch.
- Applications that were submitted in EARS cannot be reprinted in EASi.

You will be given plenty of advance notice of the EASi launch date. Please make sure that you have enabled [www.maipf.org](http://www.maipf.org) and [www.constantcontact.com](http://www.constantcontact.com) as trusted sites to receive further communications from us.

## Completed Policy Change Forms

The MAIPF-36 is the endorsement/policy change form that must be completed for all private passenger and/or commercial changes. The form can be found on our website (login required) as a fillable PDF.

In order for a servicing carrier to make any policy changes, the form must be completed and signed. If a carrier receives an endorsement that is not signed, it will be returned for a signature. If the requested changes are unclear, the form may be returned for clarification. While the changes may seem clear to you, try to envision someone else looking at the form and decide whether a second party would interpret them properly. The bottom line – changes will not be made unless the form is signed and the requested changes are clear.

For expedient processing of the change, mail the endorsement form, additional premium (if any) and any other documentation directly to the servicing carrier. If the application is pending assignment, the endorsement form should be forwarded to our office and we will send it to the carrier once the application assignment has been made.

## Selecting the Right PIP

Personal Injury Protection (PIP) is often a confusing coverage to explain to applicants. As their producer, you are their authority on this topic and applicants will take their cues from you on what type of PIP best fits their needs. To help determine an accurate PIP rate, review these options:

### Full - \$0 Deductible or \$300 Deductible

- ✓ Select Full PIP if the applicant has no other medical or wage loss protection. This option is available at either \$0 deductible or \$300 deductible.

### Coordinated Coverages - \$300 Deductible

- ✓ Select Coordinated Medical benefits if the applicant has other medical coverage but no disability or other wage loss protection.
- ✓ Select Coordinated Wage Loss if the applicant has no other medical coverage, but does have other disability or wage loss protection.
- ✓ Select Coordinated Medical & Wage Loss benefits if the applicant has other medical coverage and other disability or wage loss protection.

### A couple of other PIP Pointers:

- The coordination of PIP benefits applies only to the applicant and family members covered under the policy.
- An applicant aged 65 or older cannot have Coordinated Medical benefits since Medicare becomes the primary medical carrier at age 65 and you cannot coordinate PIP with Medicare (or Medicaid).
- The coordination of wage loss benefits will pay up to three years of wages that would have been earned if not hurt, up to a specified maximum amount. This amount is reviewed regularly and can be found at [www.michigan.gov/difs](http://www.michigan.gov/difs).
- If coordinated medical benefits are requested, but the assigned servicing carrier has determined that other medical benefits do not exist, the policy will be adjusted to Full PIP and the policyholder will be billed immediately for any additional premium. In the case of a loss, a \$500 deductible will be applied to the covered loss.

## Auto Club Premium Payments

Installment payments are due in the offices of the servicing carrier on or before the due date. Auto Club branch locations do accept payments as a convenience to policyholders, but due to system requirements only payments received prior to 12:00 noon can be considered “received on the due date”. Please communicate this information to your insureds that have been assigned to the Auto Club so that they may plan accordingly. Failure to make a payment on or before the due date will lead to cancellation of the policy.

## Private Passenger Application Reminders

- A legible copy of the applicant's driver's license is required. Failure to provide the required information will lead to a producer violation.
- The private passenger application provides two areas for the producer's signature. Your signature in Section 10 is only required when the vehicle inspection section has been completed and physical damage is requested. Your signature in Section 11, the Producer's Statement is always required.
- Make sure that the copies we receive are legible. In many cases, we are receiving applications that have been copied and faxed several times before being mailed to us.
- When submitting an application to us, please do not mail us the "saved" version from EARS. The "saved" version has a watermark across the front that says – "This application is in draft form. It has not yet been submitted."
- Certificates cannot be downloaded. Producers are responsible for keeping a supply on hand. You may not issue ACORD (or any other non-MAIPF) certificates for MAIPF applications.
- Applications must be mailed to us by your next business day. Applications that are delayed due to an incorrect mailing address or insufficient postage will be considered late and, as a result, the effective date will be changed to the day the application arrives in our office.

## CARS Commercial Rating – Zone to Zone

A zone rated risk includes vehicles that regularly operate beyond a 200 mile radius from the street address of the principal garaging location.

The rate (in part) includes the vehicle's garaging zone along with the vehicle's terminal or destination zone. Together, this makes up the zone combination.

### Garaging Zone - two options

- Zone 11 – Detroit, Dearborn or Pontiac territories.
- Zone 44 - Remainder of state

### Terminal or Destination Zone

- The furthest destination point (terminal) that the applicant travels to.
- In most cases, the regional zone will apply, unless the destination is a city zone.

### Examples:

- Vehicle is principally garaged in Lansing, Michigan (regional zone 44) and the furthest destination is Columbus, OH (regional zone 44). The proper zone combination is 44 and 44.
- Vehicle is principally garaged in Detroit, Michigan (metropolitan zone 11) and has two destinations – Denver, Colorado (metropolitan zone 10) and Sacramento, California (regional zone 40). Using the furthest destination, the proper zone combination is 11 and 40.

## Frequently Asked Question

**Q** – When I print the CARS generated commercial application, the print along the left hand margin is cut off. How can I fix this so the form prints properly?

**A** – When you are ready to print the document, go to File/Print. When the Print dialog box comes up, review the options for “Page Scaling”. If the page scaling is set to “None”, there will be a good chance that all of the printed areas along the left hand margin on all of the pages will be cut off. Your best option would be to change the page scaling option to “Fit to Printable Area”.

## Classifying Public Autos

We are seeing an increase in new business ventures for vehicles used for hire to transport people. These are considered public autos and are assigned to our commercial servicing carrier, Amerisure. When writing a public auto, it may be helpful to review this information provided by the [Michigan Department of Transportation \(MDOT\)](#) to help determine how to classify your risk. Please note that these guidelines do not apply to vehicles that are used as a service at no charge, such as school or church buses.

### **Is my vehicle a limousine?**

If the vehicle, regardless of body style, is designed or used to transport 15 passengers or less (including the driver) where the public can hire the carrier to transport a passenger over the public highways of the state of Michigan, it is a limousine and the carrier must have a Limousine Certificate of Authority.

### **Is my vehicle a bus?**

If the vehicle, regardless of body style, is designed or used to transport more than 15 passengers (including the driver) it is a bus and the carrier must have a Motor Bus Certificate of Authority.

### **Is my vehicle a taxi?**

Your vehicle is considered a taxi if you are using a vehicle with a maximum seating capacity of 9 passengers, including the driver AND you are using any type of metered device to measure distance traveled and waiting time to compute the fare.

In addition, we require a completed passenger vehicle questionnaire on taxicabs, limousines and vehicles used for non-emergency medical transport to provide the following information for underwriting purposes:

- Is the vehicle metered? What kind of meter?
- What method of fare is charged? (Per mile, flat, hourly, etc.)
- Is there lettering on the vehicle and what does it say?
- What is the % of pre-arranged rides, if any?
- How are patrons picked up – do they call for service?
- Exact description of the insured's operations. If the vehicle(s) have more than one use, please indicate the breakdown of each.
- City of operation?
- Is the insured required to carry and do they carry a “license” or “bond-plate” to operate in their jurisdiction?
- Is the insured authorized by MDOT and is a filing required?
- Seating capacity of vehicle?

- If insured has employees, how many do they have and how are they paid – 1099?
- Do employees rent cabs from insured?
- How are fares arranged and what method is used to determine fares? Are credit cards accepted?

**NOTE:** Any vehicle participating with a Transportation Network Company, such as Uber, Lyft or Sidecar, will be classified and rated as a taxi. It is extremely important that you review policy language and work with your client to determine if there are any coverage gaps or issues with personal exposures while the vehicle is being insured commercially. Insuring these vehicles on a private passenger auto policy may result in claim denials due to the exclusions throughout the policy for vehicles being operated as a public or livery conveyance.

**HEAT® (Help Eliminate Auto Thefts) Update**


HEAT® is in its 29<sup>th</sup> year and continues to serve as a valuable tool for fighting crime. Our program has aided law enforcement in the recovery of \$57.5 million in stolen vehicles and related property. We recently hit a major milestone; rewards paid to tipsters for information now total over \$4 million.

The Detroit Police Department asked HEAT® to partner with them on several recent initiatives, including a neighborhood canvass in an area known for a large number of carjacking incidents.

HEAT® is a confidential, toll-free tip line to allow citizens to report information about auto theft, auto theft-related insurance fraud or identity theft, carjacking, theft rings and chop shops. If the suspects are arrested and bound over for trial, rewards can range up to \$10,000! All funding for the program is provided by Michigan auto insurers. Live operators are ready to take calls 24/7.

We can also be found on social media. “Like” our page on Facebook and “follow” us on Twitter to receive periodic updates on program successes and activities as well as breaking auto theft news.

To obtain free materials for display in your agency or to include in mailings to your clients, contact Nina Hier at ext. 227 or via email at [info@miheat.org](mailto:info@miheat.org). Program information and theft prevention tips are also available on our web site, [www.1800242HEAT.com](http://www.1800242HEAT.com).

	<b>Help Eliminate Auto Thefts</b> by reporting Auto Theft & Auto Related Crimes	
	Call the 24/7 HEAT® Confidential Tip Line <b>1-800-242-HEAT OR <a href="#">Report Tips Online!</a></b>	<a href="#">Contact us</a> for HEAT® Info and to Order Supplies

**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](mailto:info@maipf.org).

### Servicing Carrier Directory:

CARRIER	ADDRESS	PHONE NUMBER
<b>Auto Club</b>	JUA Processing 1 Auto Club Drive Dearborn MI 48126-2694	(313) 336-1145 (313) 336-1477 (Billing)
<b>Auto Owners</b>	JUA Operations 6101 Anacapri Blvd. PO Box 30660 Lansing MI 48909-8160	(800) 346-0346 Ext. 1038, 6366 or 2532
<b>Citizens</b>	Auto Plan Department PO Box 930 Howell MI 48844-0930	(800) 243-8921
<b>State Farm</b>	JUA Operations 2550 Northwestern Ave. West Lafayette IN 47906-1394	(855) 342-4066
<b>Amerisure (Commercial)</b>	26777 Halsted Rd PO Box 9201 Farmington Hills MI 48333-9201	(800) 789-9594
For a complete listing of servicing carrier claim offices in Michigan, go to <a href="http://www.maipf.org/SC/SC-Directory.pdf">http://www.maipf.org/SC/SC-Directory.pdf</a>		

### 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.	
Phone: 734.464.1100	Email: <a href="mailto:info@maipf.org">info@maipf.org</a>	Fax: 734.464.0009	Internet: <a href="http://www.maipf.org">www.maipf.org</a>