



Michigan Automobile Insurance Placement Facility Winter 2013 Newsletter

MAIL: NEW MAILING ADDRESS - P.O. Box 532318, Livonia, MI 48153-2318 17456 Laurel Park Drive North, Suite 130E, Livonia, MI 48152-3981 (<i>Drop off Apps</i>)	Phone: 734-464-1100 8:00 a.m. to 4:20 p.m. Fax: 734-464-0009
www.maipf.org	Email: info@maipf.org

INDEX					
Application Trends	1	Michigan Insurance Facilities	4	Reminder – Sign Your Applications!	5
FAQ	6	New MAIPF Mailing Address	3	Servicing Carrier Directory	7
HEAT® Program	6	New Passenger Vehicle Questionnaire	2	We have an App for That	3
How to Contact Us	7	Other Reminders	5	We Want to Hear From You	6
Is Your Risk a Limo or a Taxi?	2	Premium-Financed Policies	4		
Manager’s Message	1	Private Passenger Rate Change	3		

MANAGER’S MESSAGE

Terri A. Miller, CPCU – MAIPF General Manager

Being a runner used to be a good thing. Unfortunately, people intent on committing insurance fraud have given that term a negative connotation. “Runners” are people who solicit auto accident victims on behalf of attorneys, doctors and/or clinics in order to defraud insurance carriers.



How do you know you’re talking to a runner? Here are some frequent signs:

- You are called within a few days of your accident by someone you don’t know who seems to have all of the information about the incident and claims to be from your insurer – maybe even before you have filed a claim. Before giving out any additional information, call your agent to make sure you are speaking to a representative of your insurance company.
- Check your caller ID – often it will say something like “Auto Accident Specialist” instead of the name of your insurer.
- The caller offers you “free” transportation and medical tests, to “make sure” you are not injured – and is very insistent that you accept their offer.
- If you do go to their medical provider, the “treatment plan” is often multiple visits over a long period of time with no end point.
- You are offered payment for going to a doctor or clinic.

If you are contacted by a runner, cease all further contact with them. They will soon give up and move on to another potential victim, as they are only in it for the money.

Help your clients fight against these scams by making them aware and by reminding them that insurance fraud hits us all where it hurts – our wallets!

Please contact me (info@maipf.org) if you have any questions or suggestions about Facility operations.

Application Trends

We experienced very high application volume at the end of the year. In the fourth quarter of 2012, we received 4,915 private passenger applications. Total private passenger applications for the year increased by over 556% from 2011. We received 411 commercial applications in 2012, an increase of 2.5% from 2011.

Is Your Risk a Limo or a Taxi?

A limousine is a vehicle, regardless of body style, that is designed or used to transport 15 passengers or less (including the driver), hired by the public to transport passengers. Limousines are hired on a “pre-arranged” basis for special events such as weddings, proms, funerals, etc. and are driven by a uniformed chauffeur. Limousines are not metered and a flat fare is generally charged. Limousines normally do not have lettering on the exterior doors.

A taxi is a vehicle which transports five passengers or less that is metered by a hard wired or mobile device and is regulated by city ordinance. A taxi may need a license or bond-plate to operate in their jurisdiction. Taxis are “on-demand” and there is generally lettering on the exterior doors and placards on the interior.

Taxis and limousines are subject to loss control at the underwriter’s discretion. Because of the large premium difference between the two operations, we have seen producers attempt to incorrectly classify a taxi as a limo. **Please note:** *a unit may be authorized by MDOT as a limousine; however, that authorization will not override the underwriting determination.* It is extremely important that risks are classified correctly up front. If an error in classification is made, there is a potential E & O exposure to the agency due to the fact that the majority of applicants aren’t prepared for the substantial premium increase. This can result in policy cancellation, uninsured drivers and premium collection issues.

Please read on for information regarding a new mandatory questionnaire for these risk types in our Commercial Auto Rating System (CARS), which will allow you to provide the necessary underwriting information to properly classify and rate at the time of application.

If you are unsure about how to classify a risk, please contact Amerisure underwriter Beth Lewis for guidance at 800-789-9594.

Taxicab, Limousine and Non-Emergency Medical Transportation Risks NEW Passenger Vehicle Questionnaire

The Passenger Vehicle Questionnaire will be required documentation for all TAXICAB, LIMOUSINE and NON-EMERGENCY MEDICAL TRANSPORTATION risks. Effective March 15, 2013, failure to include the questionnaire with the commercial application will result in a producer violation.

When generating a quote using our Commercial Application and Rating System (CARS), make your selection for the type of risk from *Create an Application*. If choosing Taxicabs or Other Than Zone Rated Publics (limousine or non-emergency medical transportation worksheet), the questionnaire will appear AFTER the *Summary* page. Please take your time as you will not be able to continue if all questions are not answered. At this time, the information entered on the questionnaire cannot be saved. When complete, **print** the questionnaire and include with the commercial application, deposit check and any other supporting documentation.

NOTES:

1. **Non-Emergency Medical Transportation** includes transporting clients to doctor’s visits, medical procedures, etc.
2. For Non-Emergency Medical Transportation, the worksheet prefills with **Public Auto/Bus N.O.C.**
3. Risks are subject to loss control at the underwriter’s discretion.
4. Information on the questionnaire will be verified.
5. Final rating is determined by underwriting.

****IMPORTANT NOTICE** New MAIPF Mailing Address**

Please make sure that all applications and any other correspondence are sent to our new mailing address:

**MAIPF
P. O. Box 532318
Livonia, MI 48153-2318**

Applications that are mailed to our old post office box **will be delayed** due to the extra forwarding time to our office. This interruption in the timeliness of delivery could have the following consequences.

- **Effective Date:** *The effective date requested on the application will not be honored; instead, it will be changed to 12:01 A.M. on the day the application arrives in the Facility office. (MAIPF Manual, Availability, Sec. D)*
- **Producer Violation:** The application will be coded with a late violation. Repeated violations can result in disciplinary action including possible disqualification from writing business with the MAIPF. (MAIPF Plan of Operation, Sec. 19)

Items mailed to us for express delivery that require a street address should continue to be addressed to:

MAIPF
17456 N. Laurel Park Dr.
Suite 130E
Livonia, MI 48152-3981

We Have an App For That - Print on Demand

Since we now allow producers to print applications and other MAIPF forms directly from our website, we are no longer ordering forms in bulk for mass distribution to insurance agencies throughout Michigan. The only form that is unavailable from our website is the Temporary Certificate of No Fault Insurance (MAIPF-01) which must be an original form mailed to you from our office. While you are responsible for monitoring your supply of temporary certificates, all other forms can be downloaded on demand from our website. This eliminates waste and improves operational efficiencies since the forms posted on our website are always the most current version. Please take advantage!

Private Passenger Auto Rate Change – APRIL 1, 2013

Our rate filing was approved, effective April 1, 2013. Base rates will change as follows:

Coverage	% Change
Bodily Injury	6.3%
Property Damage	4.5%
Personal Injury Protection	16.0%
Property Protection Ins.	5.3%
Mandatory Coverages	13.8%
Optional Coverages	1.1%
Overall Total	11.4%

Per statute, MAIPF rates are the weighted average of the base rates of the top five writers of private passenger auto in Michigan.

Premium-Financed Policies

MAIPF policies may be premium financed. You must attach a completed finance agreement along with the required ownership documentation and deposit check with the application. The agreement should include the amount financed, the number of payments, the amount of each payment, the due date of each payment, and the insured's signature. *These items are mailed to the MAIPF.* Insureds financing premium for additional vehicles or additional coverage on an active policy are required to have the Policy Change Request form (MAIPF-36) submitted along with ownership documentation (if adding or replacing a vehicle), a check and a properly completed and signed finance agreement. *These items are mailed to the assigned servicing carrier.*

However, when your clients are considering how to pay for their insurance, please take the time to explain that our service fees are far less expensive than the premium finance company's service charges.

	Private Passenger	Commercial
Initial Premium Deposit	40% of the estimated 6 month premium or \$100 (whichever is greater).	25% of the estimated annual premium or the dollar amount show in the manual (whichever is greater).
Installment Fee	\$6 service charge on each deferred payment.	\$5 service charge on each deferred payment.
Due Dates	60, 90 and 120 days from the effective date of coverage.	60, 120 and 180 days from the effective date of coverage.

Michigan Insurance Facilities

When calling our office, you will find that you are greeted with a new message that says that you have reached the Michigan Insurance Facilities (MIF). Don't hang up! The MAIPF is alive and well and still operating as we have since 1943. However, the structure of the MAIPF has evolved over the years and now includes two additional functions; Help Eliminate Auto Thefts (H.E.A.T), and, since December 2012, the Michigan Assigned Claim Plan, formerly managed by the Secretary of State as the Michigan Assigned Claims Facility. In order to provide efficient customer service, our phone system has been upgraded. Listen to the auto attendant prompts when calling, which will direct you to the correct unit at MAIPF. Once you reach the MAIPF auto attendant tree, you can choose from the following options:



Press 1 – For assistance ordering supplies, confirmation of an assigned application or questions about any of our electronic rating products.

Press 2 – For assistance with agency management such as registering producers or removing producers who no longer work within your office.

Press 0 – For assistance with all other questions.

Reminder – Sign Your Applications!

We have seen an increase in the number of private passenger applications coming in with either a missing signature from the producer or the signature is in the wrong area on the application. Notice that there are two producer signature areas on the application to review:

- Section 10 – Producer’s signature area when comprehensive and/or collision is requested and a vehicle inspection has been performed.
- Section 11 – Producer signature area for all applications.

Applicant's Signature _____ Print Name _____

I hereby verify the vehicle inspection information to be true and correct. I understand the inspection requirement contained in the MAIPF manual and that failure to comply with those requirements will result in a violation.

Producer's Signature _____ Print Name _____

DEPOSIT REQUIRED: \$100 per vehicle OR 40% of estimated premium, whichever is greater. Premium Financed

Applications received with a premium finance check must be accompanied with the premium finance agreement signed by the applicant.

DEPOSIT AMOUNT: Make check or money order payable to MAIPF. VEHICLE 1 \$ _____ VEHICLE 2 \$ _____

You will be billed for the balance. The balance can be paid in full or in three installments. There is a nominal service charge per installment. All installment payments are due in the offices of the servicing carrier on or before the date indicated in the payment notices. Late payments will lead to cancellation of the insurance coverage.
A minimum premium of \$100 per policy may be retained under certain circumstances.

Application Date ____/____/____ Time ____ AM PM

Immediate Effective Date (if other than immediate) ____/____/____

11. PRODUCER'S STATEMENT

I do hereby certify that I am an agent appointed by _____ to transact automobile insurance in the State of Michigan and am presently authorized to solicit, negotiate, or effect automobile insurance for a member of the Facility. I have shown my correct System I.D. Number. I have read the MAIPF manual, have explained its provisions to the applicant and have included in this application all required information given to me by the applicant. In the event the policy is cancelled or a change is made resulting in a return premium to the insured, I agree to return the unearned commission portion of such return premium to the insurer.

Date ____/____/____ Signature of Producer of Record X _____ Producer's System I.D. _____

Other Reminders

Application Related

- We require driver information for all registered owners and operators.
- Please mail single-sided forms. While we can appreciate the effort to reduce mailing costs, we have found that some offices recycle paper and send us documentation totally unrelated to the applicant which causes confusion.

Website Related

- If you used the “Forgot Password” feature for the password turnaround and you do not receive an email immediately, please call us; do not fill out another Agency/Producer Registration Form.
- Producers may submit their change of address notifications electronically on the Site for Registered Producers (login required). Please do not submit address changes on the Agency/Producer Registration Form.

Frequently Asked Question

Q – When I quote in CARS, why am I getting stuck or frozen and cannot move forward to complete the quote?

A – Each screen in CARS is built with a do-not-pass hazard that prohibits the user from continuing unless an answer is provided. This means that if an area is left blank, you will not be allowed to move on. Most missteps occur when an effective date is not selected, the vehicle or ENO location information is not saved (for multiple vehicles/ENO locations) or when questions are not answered in sequential order.

HEAT® Program

HEAT® (Help Eliminate Auto Thefts) Update


HEAT® started its 28th year in October 2012 and continues to serve as a valuable tool for fighting crime. Our program has aided law enforcement in the recovery of over \$55 million in stolen vehicles and related property, and has paid rewards to tipsters totaling over \$3.8 million.

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.

In 2013 we have already awarded over \$10,000 to tipsters who provided information leading to two arrests, including the operator of a large chop shop, and the recovery of over \$527,000 in stolen vehicles and other property.

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. Program information and theft prevention tips are also available on our web site, www.1800242HEAT.com.

	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

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; from our website, rating programs and employee support. Send us your comments at info@maipf.org.

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.		
NEW 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: info@maipf.org	Fax: 734.464.0009	Internet: www.maipf.org

Servicing Carrier Directory:

CARRIER	ADDRESS	PHONE NUMBER
Auto Club	JUA Processing 1 Auto Club Drive Dearborn MI 48126-2694	(313) 336-1145
Auto Owners	JUA Operations 6101 Anacapri Blvd. PO Box 30660 Lansing MI 48909-8160	(517) 323-1201 x 2009
Citizens	Auto Plan Department PO Box 930 Howell MI 48844-0930	(800) 243-8921
State Farm	JUA Operations 2550 Northwestern Ave. West Lafayette IN 47906-1394	(765) 463-8140
Amerisure (Commercial)	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 http://www.maipf.org/SC/SC-Directory.pdf		