



## Michigan Automobile Insurance Placement Facility Winter 2014 Newsletter

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### MANAGER'S MESSAGE

**Terri A. Miller, CPCU – MAIPF General Manager**

Many of us make New Year's resolutions as we turn the page on the calendar. May I suggest a few for MAIPF producers? These are based on our most frequent producer issues:



- I resolve to check every application before it's submitted for signatures, current ownership documentation and copies of driver's licenses.
- I resolve never to give an applicant a certificate of insurance before obtaining all of the documentation required by the MAIPF.
- I resolve never to accept an applicant's check and then write an agency check for a premium deposit.
- I resolve to keep good controls over my MAIPF certificates of insurance and to keep a log of how each certificate was used.

I think that these are resolutions that you can easily keep – and by doing so, you will save yourself and your agency time, trouble and headaches!

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

### Application Trends

We are still dealing with very high application volumes compared to prior years. Through December 2013, we have received 22,848 private passenger applications - an increase of 284% from 2012. We received 576 commercial applications, an increase of over 40% from 2012.

### **\*\*REMINDER\*\*** Newly Required Documentation – Copy of Driver's License

Due to the large number of "no hit" returns on MVR orders, MAIPF now requires a copy of the principal operator's driver's license when submitting a private passenger application. While many producers already follow this practice, we are now making this procedure mandatory effective immediately. Failure to submit a copy of the required driver's license is now a producer violation.

## Private Passenger and Commercial Auto Rate Change – January 1, 2014

Our rate filings were approved effective January 1, 2014. Base rates will change as follows:

### Private Passenger Auto

Coverage	% Change
Bodily Injury	18.8%
Property Damage	10.7%
Personal Injury Protection	9.0%
Property Protection Ins.	9.5%
<b>Mandatory Coverages</b>	<b>10.3%</b>
<b>Optional Coverages</b>	<b>-5.4%</b>
<b>Overall Change</b>	<b>7.9%</b>

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

### Commercial Auto

Subline	% Change
Trucks, Tractors and Trailers	17.7%
Public Automobile Excluding Taxicab	12.0%
Taxicab	10.2%
Private Passenger Types and Related Lines	22.1%
Zone Rated Risks	-4.2%
Employer's Non-Ownership Liability	6.4%
<b>Liability Coverages</b>	<b>10.0%</b>
<b>Physical Damage</b>	<b>1.2%</b>
<b>Overall Change</b>	<b>9.7%</b>

## Tips on Accepting Deposits From Clients

We frequently receive deposit checks with applications that are not negotiable with banks. This means that the policy will be cancelled flat and that no coverage is afforded to the applicant. Please ask your staff to watch carefully for the following indicators to avoid these situations:

- Do not accept blank bank checks, where all of the information (including account number) is filled in by hand.
- We are unable to process checks drawn on foreign banks, including Canada.
- We cannot accept "checks" that are actually deposit or withdrawal slips.
- The amount of the check must be the same in the numbers space as it is when written out in the line below.

Please also make sure that the check is signed and that the correct check is attached to the application when you are submitting more than one. If sending a money order, keep the receipt for your records; do not send it to us.

## An EASi Solution Is On The Horizon

Beginning in the spring of 2014, the MAIPF will introduce a new and improved personal lines electronic rating product which will replace EARS. The Electronic Application Submission Interface or EASi is a simple, cost-effective solution that allows producers to quote, save and submit data electronically via the Internet. Currently under construction, EASi will offer all of the features you love about EARS including:

- built in rating validation, which reduces application errors and deficiencies;
- the ability to save an application for retrieval at a later date;
- the ability to reprint a previously submitted application;

New features will include:

- an integrated Quick Quote process that gathers rating information which can be saved and (when ready) retrieved and carried forward through the application process;
- rating for all special type vehicles which are not currently supported in EARS, such as trailers, classic or restored autos and historical vehicles;
- a new reformatted private passenger application (MAIPF-03).

Stay tuned to your Inbox for a special bulletin detailing all of the benefits, functions and instructions for how to use EASi.

## Important Mailing Instructions

The MAIPF application process doesn't end when you seal the envelope. Our manual (Availability, Section D) identifies certain circumstances when an effective date on a private passenger application will not be honored due to improper handling. Effective 01/01/2014, we have clarified the requirements:

- The producer forwards the application and required deposit to the Facility's current mailing address, by first class mail, with sufficient postage no later than the next working day, and at the same time, the producer supplies the applicant with a copy of the certification.
- If the application is not mailed to the correct address, is delayed due to insufficient postage, or is not mailed within one working day after it is completed and executed, the effective date of coverage shall be 12:01 A.M. on the day the application is received in the Facility Office.

We encourage you to follow these simple guidelines to prevent coverage problems due to improper mailing.

- Make sure that you weigh your items and apply the proper amount of postage. We have seen an increase in the number of applications received late due to insufficient postage caused by using the USPS Forever Stamp. Items that weigh more than one ounce must include additional postage along with the Forever Stamp.
- If you have created prepared mailing labels for your applications, make sure that you have the correct address:

<b>FedEx or other overnight mailing services</b>	<b>All Other</b>
MAIPF 17456 N. Laurel Park Dr. Suite 130E Livonia, MI 48152-3981	MAIPF P. O. Box 532318 Livonia, MI 48153-2318

## Off-Road Vehicles

Effective January 1, 2014, our rates will increase for off-road utility vehicles, such as the Polaris Ranger and the Kubota RTV, which have been certified as equipped for road use. While the Secretary of State will issue license plates for these at the present time, we feel that the risk of bodily injury is extremely high and our increased rates reflect the additional exposure.

At the time of this newsletter, Senate Bill 491 is making its way through the Michigan Legislature. That bill would allow the Secretary of State to refuse to register vehicles not originally manufactured for use on public roadways. Until this bill becomes law, we will insure these vehicles as private passenger units. Applications must include a copy of the certification form that has been signed by a law enforcement officer.

To submit the risk for an off-road vehicle, first refer to the MAIPF Quick Quote (login required) and then manually complete the Private Passenger Non-Fleet Application (MAIPF-03). Our electronic rating application (EARS) cannot provide this rate. All operators must be listed, even if unlicensed, and servicing carriers will be running reports to identify all household operators. Driver assignment will default to the highest-rated operator. When these units are operated on the road, the operator must be a licensed driver and all road rules must be obeyed.

Our recommendation is that owners do not license these units for road use due to the significant risk of serious bodily injury. They were manufactured strictly for off-road use and should be operated accordingly.

## Frequently Asked Question

**Q – I saw the Retraction Form on your website. Can I use this form to cancel a policy?**

**A –** The Retraction Form is used for those rare occurrences when you have submitted application data to us electronically through EARS or CARS, but the applicant changes his/her mind about wanting the insurance before they leave your office. Under these conditions, you may complete the retraction form, with the applicable signatures and mail or fax to us at (734) 464-0009. However, if a temporary certificate of insurance (MAIPF-01) has been issued you cannot use the Retraction Form. You must complete the Policy Change Request form (MAIPF-36) to cancel the policy.

**Q - Where can I find the form to cancel or make changes to an existing policy?**

**A –** The Policy Change Request Form (MAIPF-36) is found on the MAIPF Secure Site for Registered Producers (login required). Look for the button labeled MAIPF-36. When the document opens, you'll find that it is a fillable PDF, which saves you time by allowing you to enter the appropriate changes from your keyboard. When complete, print it and collect the required signatures. Mail the form directly to the assigned servicing carrier; mailing it to MAIPF will cause processing to be delayed.

## Upcoming Revision to CARS

We are developing a worksheet that will rate all trucks, tractors and trailers. Currently, you need to complete one worksheet for the trucks and another for the trailers. This will soon end! The new worksheet will rate all trucks and trailers on one worksheet, whether it's a Zone or Other Than Zone rated risk. The worksheet will display two grids, one for liability and one for physical damage. These grids will show individual premiums by coverage for each vehicle. With this new worksheet we're confident that you will be able to quote these risks in less time.

## HEAT® Program


HEAT® is beginning 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 over \$57 million in stolen vehicles and related property, and has paid rewards to tipsters totaling over \$3.9 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 awarded over \$140,000 to tipsters who provided information leading to two arrests, including the operator of a large chop shop, and the recovery of over \$2 million 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](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

### 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	(800) 346-0346 Ext. 1038, 6366 or 2532
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	(855) 342-4066
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 <a href="http://www.maipf.org/SC/SC-Directory.pdf">http://www.maipf.org/SC/SC-Directory.pdf</a>		

## 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](mailto: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.		
<b>**NEW**</b> 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>