



NEWSLETTER

Michigan Automobile Insurance Placement Facility, P.O. Box 33617, Detroit, MI 48232-5617 ■ 734-464-1100 ■ www.maipf.org

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Manager's Message

Terri A. Miller, CPCU
MAIPF General Manager

Have you visited the MAIPF web site (www.maipf.org) lately? If not, you're missing out on a lot of valuable

information. First and foremost, we are pleased to unveil our EARS (Electronic Application and Rating System) product, which allows you to complete and rate an application on-line and produce a complete and legible application for submission to the Facility. Although you still have to mail the application to us, it is the first step toward our future goal of electronic processing. Other tools available on the web site are supply ordering, file checks, verifying outstanding premium, links to the MAIPF manual and the Symbol & Identification Manual and copies of all MAIPF policy forms. A tour through the site should be required of all new producers in your office, and it's even a good refresher for experienced staff since we update it frequently.

Call or email me (tmiller@maipf.org) with suggestions or questions about our newsletter or any Facility program.

*******IMPORTANT*******
NEW MAIPF CERTIFICATE OF INSURANCE

MAIPF was the victim of fraud in 2003. Fake certificates of insurance, which were very good copies, were produced by criminals and sold on the streets. This is particularly disturbing because they were given a blank certificate to copy by a producer. As a result, the Facility invested a great deal of time and money to produce new certificates with updated security features.

The new certificates (Form MAIPF-01) have an edition date of 01/04. Certificates with prior edition dates will only be accepted until July 1, 2004. After that date, producers using older forms will receive a violation; and, more importantly, older forms will no longer be accepted by the Secretary of State. If you have ordered supplies since March, you should have already received the new certificate.

You should place an order for the new certificates and shred your current supply of old certificates as soon as possible.

NEWSLETTERS – DIRECT TO YOUR DESKTOP!

Many of you have provided us with your email address on the Agency Database Form. We are working toward emailing your newsletters directly to your desktop and should be ready when we send our next newsletter. If you have not completed the form, please see [Agency Database Form](#) and fax to 734-464-0009. A copy of the [Newsletter](#) is also available on the website.

COMMERCIAL RATING TRAINING CLASS

Due to the increasing number of requests, we are pleased to announce that we will be offering a commercial training class in our office on Thursday, July 29th. The fee for the three hour class is \$20 per person and will begin at 9:30 A.M. Although the class does not qualify for continuing education credits, producers and their support staff are encouraged to take advantage of this opportunity to learn more about commercial rating. We have limited space available so if you are interested in attending, please contact Nina Hier at nhier@maipf.org or call (734) 464-1100 ext. 227. This intensive training will include:

- ✓ Step by step rating,
- ✓ Navigating through the MAIPF and AIPSO websites,.
- ✓ Application Completion,
- ✓ Processing tips and much more!

New for Commercial Auto Risks! Pricing Indication Request & Waiver Forms

If you are requesting a pricing indication from Amerisure for MAIPF commercial auto risks, you must first complete both the request and waiver forms, and fax both forms to Claire Fagan at 248.442.6494.

Remember, when you submit the request, it is with the understanding that the pricing indication will be provided as an indication only and is not binding on Amerisure or the MAIPF. The pricing indication is for reference only and may differ from the actual premium calculated for the policy once the application is submitted. Actual premium can only be calculated following receipt of a properly completed and executed application.

Both forms are available on the [Producer Aids](#) page under Commercial Auto.

New Procedure! Commercial Risks with Filings AIPSO's IMN (MI) 04-01 Effective April 1, 2004

When commercial risks require filings, you must complete [MC-1611\(10/03\)—Michigan Waiver Form](#) and submit along with the commercial application. This form is available on the [Producer Aids](#) page under Commercial Auto or by calling Claire Fagan at 1.800.789.9594. Filings will not be issued by the carrier until these completed forms are received.

SPECIALTY VEHICLES

The spring weather always brings questions about insuring motorcycles and certain specialty vehicles. Unfortunately, we can't assist your customers with their motorcycle coverage as we discontinued writing cycles in 1998.

Specialty vehicles such as all terrain vehicles, golf carts and dune buggies are generally not eligible for coverage through MAIPF because most of them are not licensed for the road. The Secretary of State has established a list of requirements that must be met before they consider a vehicle road worthy. All terrain vehicles cannot be upgraded for on-road use. They are manufactured with a live axle rather than a differential gear which affects their handling when operated on a paved surface. Clients should contact the Secretary of State to find out about the requirements for other specialty vehicles. Once the Secretary of State has granted a title to a specialty vehicle, it would be eligible for coverage through our personal lines.

?? FREQUENTLY ASKED QUESTION ??

Q.— If a client has a credit from a previous JUA policy, can it be applied toward the deposit for a new application?

A. – No. We require a check or money order for 40% of the estimated six month premium (or \$100 for each vehicle, whichever is greater) with each application. The producer may contact the servicing carrier to see if they are willing to apply any return premiums to future billings, but they may not use these funds as part of their deposit.

**MCCA ASSESSMENT
EFFECTIVE JULY 1, 2004**

Appendix I - Private Passenger Chapter

Add the total charge to the final developed personal injury protection premium.	For each PPNF auto (Six-Month Policies)	For each nonfleet auto owned by a corporation, partnership, or unincorporated association and written on a commercial application (Annual Policies)
Michigan Catastrophic Claims Association*	\$71.00	\$142.00
Michigan Assigned Claims Facility	20.00	40.00
Automobile Theft Prevention Fund	0.50	1.00
Recoupment Assessment	0.50	1.00
TOTAL	Add \$92.00	Add \$184.00

*For registered historic vehicles under section 803A or 803P of the Michigan Vehicle Code, charge 20% of the MCCA premium above, rounded to the nearest whole dollar.

Appendix I - Commercial Chapter

Add the total charge to the final developed personal injury protection premium.	For each auto (Annual Policies)	Where auto years cannot be identified or when written on a gross receipts basis
Michigan Catastrophic Claims Association	\$142.00	51.1%
Michigan Assigned Claims Facility	40.00	15.9%
TOTAL	Add \$182.00	Add 67% of PIP Premium

**MAIPF Rule & Rate Revisions
AIPSO's IMPORTANT NOTICES**

All Effective April 1, 2004

April 1, 2004 Distribution	Taxicabs Subchapter. Revises rates and introduces increased limits factors specific to taxicabs. Amends Appendix 4 to state that the deductible credits for public autos do not apply to taxicabs.
IMN (MI) 04-03	Availability, Policy Administration and Service Standards Chapter— Paragraph C. Available Coverages and Limits. Clarifies that the rate for Uninsured Motorists Coverage includes basic limits coverage for Underinsured Motorists and that higher limits are not available.
IMN (MI) 04-02	Commercial Chapter, Rule 103. Public Auto Classifications. Introduces rating for limousines with seating capacity in excess of eight.
IMN (MI) 04-01	Availability, Policy Administration and Service Standards Chapter. Specifies the applicable use of Endorsement MC-1611 in paragraph A; and updates the list of forms and endorsements in paragraph V.

All Effective July 1, 2004

IMN (MI) 04-06	Antique Autos— Revises rate page R-12 to eliminate reference to "Broad Collision—Add \$2.22 to the regular collision coverage premium" as such coverage is not applicable to antique auto risks.	
	Special Types & Operations Worksheet (APP-39)— Revises title & corrects PIP rating methodology.	
IMN (MI) 04-05	Custom Built Autos— New definition of custom built auto in Rule 20. New rating provisions for custom built autos based on ACV (Rules 21 & 30)	
IMN (MI) 04-04	MCCA Assessment Appendix 1	\$71 Private Passenger
	Availability, Policy Administration and Service Standards Chapter H. Deferred Payment Plan & Appendix 1 – The service charge on each private passenger deferred payment has been increased from \$4 to \$5.	

NEW PUBLIC REPRESENTATIVES

Insurance Commissioner Linda Watters has appointed two new Public Representatives to the Board of Governors for a one-year term beginning May 1, 2004.

JULIA GOATLEY

Julia Goatley currently serves as Associate General Counsel and Director of Compliance for Jackson National Life Insurance Company in Okemos.

Julia's primary responsibilities are the supervision of JNL's Market Conduct Unit and market conduct-related issues, and project management for compliance issues. She joined JNL from the Lansing office of the law firm Dykema Gossett PLLC, where she was a member. She practiced eleven years in Dykema Gossett's Government Policy and Practice Group in the areas of insurance regulation and legislation, municipal finance, federal lending and corporate issues. Julia also worked as a savings and loan examiner for Federal Home Loan Bank (now known as Office of Thrift Supervision) prior to attending law school.

Julia earned a bachelor's degree in financial administration from Michigan State University and a law degree from the University of Michigan. After earning her law degree, Goatley was a judicial clerk for the U.S. Court of Appeals, Sixth Circuit, and joined Dykema Gossett PLLC in 1992. While at Dykema Gossett PLLC, she also served as an adjunct professor at Michigan State University from 1994-1995, teaching general business law to undergraduate students.

The Facility Board of Governors and staff would like to extend appreciation to our previous public representatives, Laura Quinn and Linda Rodney, for their service. They provided valuable advice and insight during their tenure and represented the public ably and effectively.

MARK ZAUSMER

Mark J. Zausmer is a shareholder of Zausmer, Kaufman, August & Caldwell, PC and is a well-known litigation attorney in Michigan. He has argued cases of public importance in the Michigan Supreme Court, the 6th Circuit Court of Appeals and the Michigan Court of Appeals. Mr. Zausmer has tried more than 100 cases to jury verdict. He concentrates his practice in civil litigation, including commercial litigation and insurance defense matters, and he is regularly appointed by judges and attorneys to serve as an arbitrator or facilitator in complex litigation matters.

Mark is admitted to practice before all Michigan courts, the U.S. District Court for the Eastern District of Michigan, U.S. District Court for the Western District of Michigan and the U.S. Court of Appeals for the Sixth Circuit.

He is a frequent author and speaker, and was a principal draftsman of the amendments to Michigan's Uniform Condemnation Procedures Act and the Real Property Law Section, Eminent Domain Subcommittee and Municipal Law Section of the State Bar of Michigan.

Mark graduated with honors from the University of Michigan and is a graduate of Wayne State University Law School. He is a member of the Detroit Metropolitan, Oakland County, State of Michigan and American Bar Associations.

Private Passenger Service Charge

Effective July 1, 2004 for new business & renewal policies

Availability Chapter, H. Deferred Payment Plan. The service charge on each private passenger deferred payment has been increased from \$4 to \$5. Even with this increase, the Facility's deferred payment plan may be less than the premium finance company's service charges. This is an opportunity for your clients to reduce the cost of their automobile insurance.

REMINDERS

- Documents verifying vehicle proof of ownership must be dated and current. We will allow an expired registration as long as the expiration date is not older than 90 days from the date of coverage. Items submitted verifying a new or used vehicle purchase such as an RD108, lease agreement or bill of sale must be dated within 90 days of the date of coverage.
- Driver information is required for all owners listed on the ownership documentation. If the owner is insured elsewhere, you must provide us with the name of the insurance carrier and their policy number.

WHAT IS EARS?

EARS—our **E**lectronic **A**pplication and **R**ating **S**ystem—has a rating module, VIN validation, and helpful hints to reduce application violations and/or deficiencies. Producers who have tested **EARS** are very pleased with the product.

With **EARS** you have the ability to create, view, and submit an application electronically. You will also be able to save a quote and retrieve it within 30 days to complete the application process.

For more specific information, please see our brochure that is included in this mailing. Additional information, including detailed instructions for submission, answers to FAQs, General Information, and System Requirements are available on the Welcome Page for **EARS**.

NEW LOOK FOR OUR HOME PAGE

To help you maneuver quickly on www.maipf.org, buttons have been added to the HOME page. They are:

- **What is EARS?** – explanation and instructions for EARS
- **Producer Log On** – goes directly to the log on page. After you log on you are able to:
 - *Do a File Check* to see if your application has been processed
 - *Get to EARS*
 - *Just Print blank MAIPF Forms* (other than the MAIPF-01)
 - *Complete MAIPF Forms Online*
 - *Order Supplies Online*
 - *Verify Outstanding Premium* (should be done before completing an application)
 - *E-Mail Delivery* (Under Order Supplies)
- **Producer Aids** – you can logon on from this page, view guidelines, rating worksheets, etc.
- **MAIPF Electronic Manual** – takes you directly to the site to select the Michigan Manual and Base Rate Look-up.

APPLICATION TRENDS

In the first four months of 2004, the Facility processed 6,795 private passenger applications compared to 15,268 for the same period in 2003 – a decrease of 55.5%.

The Commercial application total was 450 for the same period – a decrease of 5.9%.

HEAT® PROGRAM – 1-800-242-HEAT

HEAT® (Help Eliminate Auto Thefts) has awarded over \$20,000 in tip rewards and has assisted in the recovery of \$300,000 in stolen property to date in 2004.

HEAT® is a confidential, toll-free tip line to allow citizens to report information about auto theft, auto theft-related insurance fraud, carjackings, theft rings and chop shops. If the suspects are arrested and bound over for trial, rewards can range up to \$10,000! 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 nhier@maipf.org. Program information and theft prevention tips are also available on our web site, www.miheat.org.

**HEAT® Selects John Bailey & Associates
As Public Relations Agency of Record**

HEAT® (Help Eliminate Auto Thefts) is now partnering with John Bailey & Associates Inc. to provide comprehensive communications services to educate the public about the issue of automobile theft and promote the availability of resources to help eliminate auto theft in Michigan.

John Bailey & Associates is a respected, dedicated and responsive statewide agency with expertise in media relations, public awareness and brand management. They will act as our primary contact point for media and community group inquiries and will assist us in developing materials and communication strategies to reach law enforcement, the insurance industry and the citizens of Michigan.

We are excited about our partnership and looking forward to continuing to engage the public about the importance of preventing and reporting auto crime.

John Bailey & Associates, Inc.	
775 W. Big Beaver, Suite 1100 Troy, MI 48084 Phone: 248.362.4200 Fax: 248.362.3428	Primary Contact: Andrew Hetzel Vice President 248.362.4200, ext. 231
www.baileypr.com	

HEAT® WEB SITE – www.miheat.org

Report [HEAT® Tips Online!](#)
See our home page!

[HEAT® Statistics](#)
See how we're doing!

Report Auto Theft or Related Crimes to
Help Eliminate Auto Thefts
Call the HEAT® Confidential Tip Line
1-800-242-HEAT

OR
Report Tips Online at www.miheat.org

HOW TO CONTACT US:

<p>Mail MAIPF Applications & General Correspondence to:</p> <p>MAIPF P.O. Box 33617 Detroit, MI 48232-5617</p>	<p>To drop off applications, we're located at 6 Mile Road & I-275. Our parking lot is adjacent to the Holiday Inn</p> <p>17177 N. Laurel Park Drive, Suite 243 Livonia MI 48152-2647</p> <p>8:00 a.m. to 4:20 p.m., Monday through Friday</p>
<p>Phone: 734.464.1100</p>	<p>Fax: 734.464.0009</p>
<p>Internet: www.maipf.org—Available 24/7 !!</p>	

FOOD FOR THOUGHT!!

A moment's insight is sometimes worth a life's experience.

Oliver Wendell Holmes