

Rule 24. SURCHARGES

- A. Surcharges are applicable to autos defined and written under this Chapter, except antique autos and historical vehicles that are rated in accordance with Rule 31.
- B. Apply surcharges on the basis of penalty points accumulated during the experience period to the Class 1B premiums for the following coverages:
1. Bodily Injury and Property Damage Liability—\$20/40/10 limits
 2. Personal Injury Protection—\$300 deductible coordinated medical and wage loss benefits, income less than \$5,000, no dependents
 3. Property Protection Insurance—\$1,000,000
 4. Physical Damage—\$100 Deductible Regular Collision or Full Limited Collision—Current model year, Symbol 1. The current model year changes January 1, regardless of the actual date the models are introduced. Comprehensive coverage is NOT surcharged.
- C. **Experience Period**
1. Convictions
 - a. The experience period for two and four penalty point violations is the two-year period immediately preceding the effective date of coverage.
 - b. The experience period for five, six, and eight penalty point violations is the five-year period immediately preceding the effective date of coverage.
 2. Accidents

The experience period is the three-year period immediately preceding the effective date of coverage.
- D. Assign penalty points for
1. each accident involving any operator or named insured;
 2. each conviction involving any operator or named insured.
- E. **Application of Penalty Points**
1. Assign all penalty points for all operators on a cumulative basis.
 2. The penalty point values are displayed on page R-14. The dollar amount of surcharge for all classes is determined by applying the percentage amount of surcharge to the Class 1B rates. These dollar amounts are displayed on our website: www.maipf.org.
 3. Multiauto Risks
 - a. If the operator with penalty points is the principal operator of one auto, assign all of the penalty points to that auto.
 - b. If the operator with penalty points is an occasional operator of an auto, assign all of the penalty points to the auto that he or she operates most frequently.
- c. If the driver principally operates two autos insured through the Facility, penalty point surcharges will apply to the highest rated auto with physical damage insurance.
- d. The Facility will surcharge any principal operator of any auto insured through the Facility unless otherwise shown that a surcharge has been paid.
4. For an incident involving a conviction that results from an accident, assign only the penalty points for the accident or conviction, whichever produces the highest penalty point value.
 5. Once it has been established that an applicant has been convicted of an offense involving an auto, the date of the conviction is to be used for surcharge purposes.
- F. **Assignment of Penalty Points for Accidents and Convictions**
1. Accidents
 - a. Assign three penalty points for the first bodily injury or property damage accident.
 - b. Assign four penalty points for the second and each subsequent bodily injury or property damage accident.

EXCEPTIONS: Penalty points shall not be assigned against the applicant

 - (1) if the insured auto was lawfully parked;
 - (2) if the insured auto was struck by a hit-and-run driver;
 - (3) if the driver of the insured auto was not substantially at fault in the accident. To be substantially at fault, the driver must be more than 50% responsible for the accident.
 2. Convictions

A conviction for a traffic offense means the person has pleaded guilty, is judged guilty, forfeited a bail, or paid a fine for any moving violation.

EXCEPTIONS: Convictions for the following shall not be regarded as moving traffic violations:

 - a. Any violation of auto equipment, except brakes
 - b. Failure to display license plates, provided such plates are in existence
 - c. Failure to have in possession operator's or chauffeur's license, provided there is one in existence
 - d. Cycle—Improper or no safety equipment

MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY MANUAL

PRIVATE PASSENGER

Reference	Violation/Conviction	Number of Penalty Points for Each Conviction	Experience Period (Number of Years)
257.621/257.622	Failed to stop and report when involved in an accident	8	5
257.618/257.620	Failed to stop or identify after accident resulting in property damage	8	5
257.617	Failed to stop or identify after accident resulting in personal injury	8	5
750.91	Attempt to murder	6	5
★257.625(7)❖	Child endangerment	6	5
257.904(5)	Drove while license suspended/re-voked or denied causing death or serious injury	6	5
257.653a(3)	Failure to yield for an emergency responder causing injury	6	5
257.653a(4)	Failure to yield for an emergency responder causing death	6	5
257.626c	Felonious driving*	6	5
750.316	First-degree murder	6	5
★257.602a(2) through 257.602a(5), 750.479a(2) through 750.479a(5)❖	Fleeing and eluding police	6	5
★750.382(1)(b)❖	★Malicious destruction (turfing)—over \$200❖	6	5
750.321	Manslaughter	6	5
750.324	Negligent homicide*	6	5
★257.625(1)	Operated under the influence of liquor or controlled substance	6	5
257.625(4), 257.625(4)(b), 257.625(5)❖	Operated while under the influence of or impaired by liquor or controlled substance	6	5
257.625	Operated while under the influence of alcohol (attempted)	6	5
★257.625(6)❖	Person under 21 with unlawful bodily alcohol content (BAC)	6	5
257.626	Reckless driving*	6	5
750.317	Second-degree murder	6	5
★257.625(1)❖	Unlawful bodily alcohol content (BAC)	6	5
750.413	Unlawful driving away auto	6	5
257.601d(1)	Moving violation that causes the death of another person**	6	5
257.601d(2)	Moving violation that causes serious impairment of a body function of another person**	6	5
257.626(3)	Reckless driving that causes serious impairment of a body function of another person**	6	5
257.626(4)	Reckless driving that causes the death of another person**	6	5
★257.625(3)❖	Operated while impaired by liquor or controlled substance	5	5
257.625	Operated while impaired by liquor or controlled substance (attempted)	5	5
257.627(9)	Speed—Designated work area—More than 15 mph over limit	5	5
★257.625(2)	Allowed a person under the influence of alcohol or controlled substance to drive	4	2
257.626b	Careless driving	4	2
257.626a❖	Drag racing	4	2
257.653a(1)(a)	Failure to yield to emergency responder	4	2

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Reference	Violation/Conviction	Number of Penalty Points for Each Conviction	Experience Period (Number of Years)
257.653a(1)(b)	Failure to use due caution for emergency responder	4	2
257.627/257.628	Speed—20 mph or more over limit	4	2
	Second and subsequent bodily injury or property damage accidents (unless exempted under paragraph F.1)	4	3
257.627(9)	Speed—Designated work area—More than 10 but not more than 15 mph over limit	4	2
	First bodily injury or property damage (unless exempted under paragraph F.1)	3	3
257.602	Disobeyed police officer directing traffic flow	2	2
257.649/257.671	Disobeyed stop sign	2	2
257.611 257.612/257.614	Disobeyed traffic control device or traffic signal	2	2
257.634 257.639/257.640	Drove left of center	2	2
257.904	Drove while license suspended, revoked, or denied	2	2
257.641	Drove wrong way on one-way street	2	2
★257.628(8)❖	Failed to drive minimum speed	2	2
257.648	Failed to signal and/or observe	2	2
257.652	Failed to stop leaving alley or private drive	2	2
257.649 257.650/257.654	Failed to yield	2	2
257.682	Failed to stop for school bus	2	2
257.643	Followed too closely	2	2
★257.645(1)❖	Illegal entrance/exit—X-Way	2	2
257.644	Improper crossing—divided highway	2	2
★257.642(1)❖	Improper lane use	2	2
257.603	Improper operation—emergency auto	2	2
★257.635 to 257.640	Improper passing	2	2
257.718 257.720/257.721/ 257.724(4)(d)❖	Improper load or towing	2	2
257.612 257.647/257.650	Improper or prohibited turn	2	2
257.679/257.680	Interfered with fire apparatus	2	2
★257.658(2)/257.658(3)/ 257.660(2)	Motorcycle/moped—over two abreast or unlawful rider	2	2
257.659/257.677/257.708b/ 257.709	Obstructed vision or control	2	2
257.624a❖	Open intoxicants in vehicle (vehicle driver, driver attempted, or passenger)	2	2
257.625(8)	Operating with Presence of Drugs	6	5
257.904a	Operation of motor vehicle by unlicensed person	2	2
★257.625a(2)❖	Person under 21 refusing preliminary breath test	2	2
257.627/257.628	Speed—Less than 20 mph over limit	2	2
257.627(9)	Speed—Designated work area—Less than 10 mph over limit	2	2
257.684 to 257.689 257.698/257.700	Unauthorized or improper use of lights	2	2
★257.627(1)❖	Violation basic speed law	2	2
	Moving traffic violation other than those set forth above and specifically contained in Sections 257.601 to 257.750 of the Motor Vehicle Code	2	2

PRIVATE PASSENGER

Reference	Violation/Conviction	Number of Penalty Points for Each Conviction	Experience Period (Number of Years)
	A violation substantially similar to any of the violations denoted with an under the laws of another state or a local unit of government of this state or another state.	Comparable penalty points	Comparable time frame

* Occurring before October 31, 2010.

** Occurring on or after October 31, 2010.

Rule 25. EXTENDED NONOWNED AUTO COVERAGE—PERSONAL AUTO COVERAGE

The Personal Auto Policy may be endorsed to provide extended nonowned auto coverage to an individual named in the policy, the spouse if a resident of the same household, or a resident relative who is furnished an auto for regular use.

The extended nonowned auto coverage premiums are displayed in the Private Passenger Rate Section (R-8).

Note: The basic difference between extended nonowned auto coverage and drive other car coverage (Rule 26) is whether the individual owns an auto.

Extended nonowned coverage is for the individual who owns an auto and wants to extend liability coverage to an auto that is furnished for his or her regular use.

Drive other car coverage (Rule 26) is for the individual who does not own an auto and wants coverage while driving autos owned by others.

Rule 26. DRIVE OTHER CAR COVERAGE

- A. This coverage is intended for an individual who
 - 1. does not own an auto but wants coverage while driving autos owned by others; or
 - 2. does not own an auto but requires coverage for a financial responsibility filing.

Mandatory coverages, uninsured motorists, and Michigan limited property liability (minitort) coverages are available.

B. Premium Development

Determine the applicable territory (Rule 50) based on the principal driver's residence address and charge the applicable private passenger auto rate.

- 1. Rate as private passenger autos (Rule 21). Physical damage coverage is not available.
- 2. Attach the MAIPF 00 30 Drive Other Car Coverage endorsement.

Rule 27. AUDIO, VISUAL, AND DATA ELECTRONIC, AND SOUND REPRODUCING EQUIPMENT

Coverage is provided under the policy for electronic equipment that receives or transmits audio, visual, or data signals or electronic equipment designed solely for the reproduction of sound only if the equipment is permanently installed as original equipment by the vehicle manufacturer and there is comprehensive coverage.

Types of electronic equipment include, but are not limited to citizens band radios, telephones, two-way mobile radios, scanning monitor receivers, television monitor receivers, videocassette recorders, audiocassette recorders, or personal computers. Neither radar or laser detectors nor accessories used with this equipment are covered.

Radar or laser detectors are not covered. Accessories used with any of the above types of equipment are not covered.

Rule 28. TRAILERS—PHYSICAL DAMAGE COVERAGE ONLY

Note: Trailers are written only in conjunction with a motorized auto. The liability follows the motorized auto, which must also be insured through the Facility.

- A. Determine the rating territory (Rule 50).
- B. **Physical Damage Coverage**
 - Note:** The maximum loss payable for a recreational trailer is \$25,000.
 - 1. Assign a symbol based on the Original Cost New of the trailer, using the Price/Symbol Chart located in the reference pages of the S&I Manual or in the Private Passenger Rating Section (R-15 and R-16).
 - 2. Using the above symbol, rate in accordance with Rule 21.
 - 3. Multiply the rate determined above by the following factor:

Factor
0.35