



Michigan Automobile Insurance Placement Facility

www.maipf.org

Newsletter

May 2020

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No-Fault Reform Changes

- Private Passenger Update
- Commercial Update

No-Fault Reform Changes for New Quotes Effective July 2, 2020 and Later

On June 1, 2020 our rating systems will be updated with the Tort Liability changes included in the No-Fault Reform for new business and renewals that are effective July 2, 2020 and later. The changes will be put in place for both Private Passenger and Commercial. Below are the specific changes you can expect to see in our systems.

Private Passenger Updates

Here are the changes you can expect to see for Private Passenger quotes and applications.

Changes to Available Limits

The limits listed below for each liability coverage will be the only limits available for new quotes effective July 2, 2020 and later.

<i>Bodily Injury</i>
\$50/\$100
\$100/\$300
\$250/\$500

Changes to Required Forms

Bodily Injury Limit Option Form

Every quote proposal will include a Bodily Injury Limit Option Form. This form will provide a quoted premium for the Bodily Injury coverage only at each available limit based on the information provided in the quote. This form is to be provided to the applicant to ensure they are aware of the pricing for each option. Below is an example of the Bodily Injury Limit Option Form for Private Passenger quotes.

BODILY INJURY LIMIT OPTIONS - PRIVATE PASSENGER			
Applicant/Named Insured:		John Doe	
MAIPF Quote/Policy Number:		QPA000540	
Quote/Policy Effective Date:		07/15/2020	
Form Issue Date:		05/26/2020	
<p>Michigan Law requires that you are provided with the Bodily Injury liability limit options that are available to you and the price for each option. MAIPF offers the following options for Bodily Injury coverage limits at the estimated premiums shown:</p>			
Coverage limit for any 1 person in any 1 accident / Coverage limit for 2 or more persons in any 1 accident		Estimated Premium	
\$250,000 / \$500,000		\$265.00	
\$100,000 / \$300,000*		\$215.00	
\$50,000 / \$100,000*		\$173.00	
<p>* Michigan Law requires that you complete and sign the Michigan Choice of Bodily Injury Liability Coverage Limits form if you select Bodily Injury limits less than \$250,000/\$500,000. The licensed agent who assisted you in obtaining this quote or policy can assist you in completing that form.</p>			
<p>The estimated premiums shown reflect the total premium for <u>Bodily Injury coverage only</u> for the quote or policy. These estimates are based on the information provided to develop this quote or policy premium. Changes to any of this information may result in changes to the estimated premiums shown.</p>			
Vehicle Operator(s)		Date of Birth	Financial Responsibility
John Doe		05/26/1967	N
Vehicle(s) Insured		VIN	Territory Vehicle Type
2013 HONDA CR-V EX AWD		5J6RM4H78DL072048	90 Private Passenger Auto
Accidents and/or Moving Violations			
Date	Penalty Points	Vehicle Operator	
<p>NOTE: The language and matter in brackets is optional with the Company.</p>			

Michigan Choice of Bodily Injury Liability Coverage Limits Form

The form shown below is required to be completed and sent with any MAIPF application that is submitted with a Bodily Injury Limit less than \$250/\$500. If the form below is not included or completed, the policy will be issued with \$250/\$500 Bodily Injury Limits and a V80 – Serious or Flagrant violation will be assigned to the producer.

MICHIGAN CHOICE OF BODILY INJURY LIABILITY COVERAGE LIMITS	
AGENCY: Passthrough Test Agency 123 Fake Street Faketown, MI 00000	APPLICANT/NAMED INSURED: John Doe
	INSURANCE COMPANY: Michigan Automobile Insurance Placement Facility
POLICY/QUOTE NO.: QPA000540	EFFECTIVE DATE: 07/15/2020
READ THIS ENTIRE FORM CAREFULLY	
<p>THE PURPOSE OF THIS FORM</p> <p>The purpose of this form is to explain the choice you have regarding your bodily injury liability insurance protection and to assist you in making that choice. Read this form carefully because the choice you make will have financial consequences.</p>	
PART A: BODILY INJURY LIABILITY INSURANCE COVERAGE EXPLAINED	
<p>Bodily injury liability insurance covers claims made against you for injuries to others if you are at fault in an auto accident. Michigan auto insurance policies are required to provide bodily injury liability insurance coverage of not less than \$250,000 per person and up to \$500,000 per accident ("\$250,000/\$500,000") for these claims unless you select higher or lower limits depending on the amount of protection you need. In no event can you select less than \$50,000 per person and \$100,000 per accident. If you do not make a selection, your policy will be issued with limits of \$250,000/\$500,000.</p>	
<p> If you want bodily injury liability coverage limits of \$250,000/\$500,000 or more, you do NOT need to complete this form.</p>	
PART B: INCREASED RISKS WITH LOWER BODILY INJURY LIABILITY INSURANCE COVERAGE LIMITS	
<p>If you are responsible for injuries to another person, you may be liable for damages for their pain and suffering, as well as the costs of their medical and other care that exceed their coverage under their auto insurance policy. The bodily injury liability limit of your policy will pay for such damages, but only up to the amount of the limit you choose. You will be required to pay any amount over the limit you choose. This amount could be substantial and may lead to severe financial consequences, such as:</p> <ul style="list-style-type: none"> • Your assets may be seized, or a lien may be placed on your home; • Your wages may be garnished; or • Your driver's license may be suspended. <p>Selecting lower bodily injury liability insurance coverage limits may also affect your eligibility for an umbrella policy.</p>	
PART C: CONFIRMATION OF UNDERSTANDING—YOU MUST READ AND INITIAL EACH LINE	
_____ (Initials)	I have received a list of all the bodily injury liability coverage options available to me and the price for each option.
_____ (Initials)	I understand that any bodily injury liability coverage election I make applies to me and any other person covered by this policy.
_____ (Initials)	I understand that the bodily injury liability coverage limits I choose will remain the same as long as the policy is in effect or until I change them.
<p>BY SIGNING THIS FORM, I ACKNOWLEDGE THAT: (1) I HAVE READ THIS FORM OR HAD IT READ TO ME; (2) I UNDERSTAND MY CHOICES AND THE POTENTIALLY SEVERE RISKS DESCRIBED ABOVE; AND (3) I AM CHOOSING TO PURCHASE BODILY INJURY LIABILITY COVERAGE LIMITS LOWER THAN \$250,000/\$500,000.</p>	
_____	_____
Named Insured/Applicant Signature	Date

Commercial Auto Updates

Here are the changes you can expect to see for Commercial quotes and applications.

Changes to Available Limits

The limits listed below for each liability coverage will be the only limits available for new quotes effective July 2, 2020 and later.

<i>Bodily Injury</i>
\$50/\$100
\$100/\$300
\$250/\$500
\$500/\$500
\$500/\$1M
\$1M/\$1M
\$110,000
\$510,000
\$750,000
\$1,000,000
\$1,500,000
\$5,000,000

<i>Uninsured Motorist</i>
\$50/\$100

<i>Mini-Tort (MLPD)</i>
\$3,000

Changes to Required Forms

Bodily Injury Limit Option Form

Every quote proposal will include a Bodily Injury Limit Option Form. This form will provide a quoted premium for the Bodily Injury coverage at each available limit based on the information provided in the quote. This form is to be provided to the applicant to ensure they are aware of the pricing for each option. Below is an example of the Bodily Injury Limit Option Form for Commercial Auto quotes.

BODILY INJURY LIMIT OPTIONS - COMMERCIAL AUTO

Applicant/Named Insured: John Doe
MAIPF Quote/Policy Number: QCA001795
Quote/Policy Effective Date: 07/15/2020
Form Issue Date: 05/27/2020
Risk Type: Public Auto - Paratransit

Michigan Law requires that you are provided with the Bodily Injury liability limit options that are available to you and the price for each option. MAIPF offers the following options for Bodily Injury coverage limits for the risk type selected at the estimated premiums shown. If an Estimated Premium is not shown for a coverage limit, that coverage limit is not available for the risk type selected.

Coverage limit for any 1 person in any 1 accident / Coverage limit for 2 or more persons in any 1 accident	Estimated Premium
\$50,000 / \$100,000*	\$4,679
\$100,000 / \$300,000*	\$6,597
\$250,000 / \$500,000	\$8,001
\$500,000 / \$500,000	\$8,749
\$500,000 / \$1,000,000	\$9,638
\$1,000,000 / \$1,000,000	\$10,387
Combined Single Limit Liability Coverage for any 1 accident	Estimated Premium
\$110,000*	\$5,006
\$300,000*	
\$510,000	\$7,767
\$750,000	\$8,469
\$1,000,000	\$9,030
\$1,500,000**	\$9,732
\$5,000,000**	\$11,884

* Michigan Law requires that you complete and sign the Michigan Choice of Bodily Injury Liability Coverage Limits form if you select Bodily Injury limits less than \$250,000/\$500,000 or \$510,000 Combined Single Limit. The licensed agent who assisted you in obtaining this quote or policy can assist you in completing that form.

** Coverage limits are only available if required by state or federal law.

The estimated premiums shown reflect the total premium for Bodily Injury coverage or Combined Single Limit Liability coverage only for the quote or policy. These estimates are based on the information provided to develop this quote or policy premium. Changes to any of this information may result in changes to the estimated premiums shown.

Taxi Risk Type: Coverage Limits of \$500,000/\$500,000; \$500,000/\$1,000,000; \$1,000,000/\$1,000,000; \$300,000 CSL and \$1,000,000 CSL are only available if required by state or federal law.

Hazardous Materials:	N	No. of Employees:	
Rate Class:	N/A	Penalty Points:	N/A
Intra-Interstate:	Intrastate	Fleet:	N
Radius:	0 - 200 miles of Garaging location	Class Code:	4398
Vehicle(s) Insured	VIN	Territory or Zone Code	
2019 Toyota Sienna	509308	13	

NOTE: The language and matter in brackets is optional with the Company.

Michigan Choice of Bodily Injury Liability Coverage Limits Form

The form shown below is required to be completed and sent with any MAIPF application that is submitted with a Bodily Injury Limit less than \$250/\$500 or \$510,000 CSL. If the form below is not included or completed, the policy will be issued with \$250/\$500 Bodily Injury Limits or \$510,000 CSL (whichever is applicable).

MICHIGAN CHOICE OF BODILY INJURY LIABILITY COVERAGE LIMITS	
AGENCY: Passthrough Test Agency 123 Fake Street Faketown, MI 00000	APPLICANT/NAMED INSURED: A Doe
	INSURANCE COMPANY: Michigan Automobile Insurance Placement Facility
POLICY/QUOTE NO.: QCA001795	EFFECTIVE DATE: 07/15/2020
READ THIS ENTIRE FORM CAREFULLY	
<div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: 80%;"> <p style="text-align: center;">THE PURPOSE OF THIS FORM</p> <p>The purpose of this form is to explain the choice you have regarding your bodily injury liability insurance protection and to assist you in making that choice. Read this form carefully because the choice you make will have financial consequences.</p> </div>	
PART A: BODILY INJURY LIABILITY INSURANCE COVERAGE EXPLAINED	
<p>Bodily injury liability insurance covers claims made against you for injuries to others if you are at fault in an auto accident. Michigan auto insurance policies are required to provide bodily injury liability insurance coverage of not less than \$250,000 per person and up to \$500,000 per accident ("\$250,000/\$500,000") for these claims unless you select higher or lower limits depending on the amount of protection you need. In no event can you select less than \$50,000 per person and \$100,000 per accident. If you do not make a selection, your policy will be issued with limits of \$250,000/\$500,000.</p>	
<div style="display: flex; align-items: center;"> <p>If you want bodily injury liability coverage limits of \$250,000/\$500,000 or more, you do NOT need to complete this form.</p> </div>	
PART B: INCREASED RISKS WITH LOWER BODILY INJURY LIABILITY INSURANCE COVERAGE LIMITS	
<p>If you are responsible for injuries to another person, you may be liable for damages for their pain and suffering, as well as the costs of their medical and other care that exceed their coverage under their auto insurance policy. The bodily injury liability limit of your policy will pay for such damages, but only up to the amount of the limit you choose. You will be required to pay any amount over the limit you choose. This amount could be substantial and may lead to severe financial consequences, such as:</p> <ul style="list-style-type: none"> • Your assets may be seized, or a lien may be placed on your home; • Your wages may be garnished; or • Your driver's license may be suspended. <p>Selecting lower bodily injury liability insurance coverage limits may also affect your eligibility for an umbrella policy.</p>	
PART C: CONFIRMATION OF UNDERSTANDING—YOU MUST READ AND INITIAL EACH LINE	
_____	I have received a list of all the bodily injury liability coverage options available to me and the price for each option.
(Initials)	
_____	I understand that any bodily injury liability coverage election I make applies to me and any other person covered by this policy.
(Initials)	
_____	I understand that the bodily injury liability coverage limits I choose will remain the same as long as the policy is in effect or until I change them.
(Initials)	
<p>BY SIGNING THIS FORM, I ACKNOWLEDGE THAT: (1) I HAVE READ THIS FORM OR HAD IT READ TO ME; (2) I UNDERSTAND MY CHOICES AND THE POTENTIALLY SEVERE RISKS DESCRIBED ABOVE; AND (3) I AM CHOOSING TO PURCHASE BODILY INJURY LIABILITY COVERAGE LIMITS LOWER THAN \$250,000/\$500,000.</p>	
_____ Named Insured/Applicant Signature	_____ Date

Changes in PIP Coverage and Limit Offerings

For new business and renewals effective 7/2/2020 and later, MAIPF will continue only to offer unlimited PIP Medical Coverage. The MAIPF is regulated by different laws than voluntary carriers, including its ratemaking practices. As a result, the MAIPF has been granted additional time by DIFS to implement the PIP-related changes of the No-Fault reform; but no later than 1/1/2021. Additional communications will be provided in the future regarding the implementation of the PIP-related changes.