



Michigan Automobile Insurance Placement Facility

March 29, 2012

MINUTES OF THE FORTY FIRST ANNUAL MEETING OF THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY HELD ON MARCH 26, 2012

**MEMBER COMPANIES PRESENT:**

Allstate Insurance Company  
Amerisure Mutual Insurance Co.  
Auto Club Group Insurance Co.  
Auto-Owners Insurance Company  
Citizens Ins. Co. of America  
Hastings Mutual Insurance Company  
State Farm Mutual Auto Insurance Co.

**REPRESENTED BY:**

R. Cardin  
K. Gallinger  
T. Olschefski, D. Saranen & P. Scheske  
J. Tagsold \*  
D. Warner  
J. DeVries  
G. Cooper

**OTHERS PRESENT:**

Producer Representatives  
Public Representatives  
Office of Financial & Insurance Regulation  
Michigan Auto Ins. Placement Facility

L. Bostic & C. Locker  
S. Liddle & L. Quinn  
R. Parlor & T. Morante  
T. Miller, C. Grabowski, N. Hier, T. Nancy & D. Barnette

\* Indicates Not Present

The forty first annual meeting of the Michigan Automobile Insurance Placement Facility was called to order, and those present were asked to introduce themselves.

Upon a motion being made, seconded, and carried, the reading of the minutes of the fortieth annual meeting was waived.

Reports by the Chairman of the Board of Governors and the General Manager of the Facility are attached.

The Chairman asked for any additional nominations for the Board's upcoming term. There being none, a motion was made, seconded, and carried that the nominations be closed. Ballots were tabulated, and the results of the election for the seven company positions on the Board of Governors for the 2012/2013 term were announced as follows:

State Farm Mutual Auto Ins. Co.	19,919,131
Auto-Owners Insurance Company	16,635,328
Auto Club Insurance Association	14,937,633
Hastings Mutual Insurance Co.	11,106,935
Amerisure Mutual Insurance Company	7,949,195
Allstate Insurance Company	6,856,612
Citizens Ins. Co. of America	2,789,058
Total	80,193,892

There being no additional business to address, the forty first annual meeting of the Michigan Automobile Insurance Placement Facility was adjourned.

Respectfully submitted,

*Terri A. Miller*

Terri A. Miller, CPCU  
General Manager

**MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY**  
CHAIRMAN'S REPORT ANNUAL MEETING – March 26, 2012

This report is to be delivered at the 2012 Annual Meeting of the Michigan Automobile Insurance Placement Facility. On behalf of Amerisure Mutual Insurance Company, I am submitting this report as Chairman of the MAIPF Board of Governors.

Based on numbers from 2011, Facility policies-in-force continued to decline by approximately 10% from 1,476 to 1,320 year-over-year. The combined app count from calendar '10 to calendar '11 went down by over 36% from 2,032 to 1,307. The Board has continued to discuss the Facility's shrinkage and the impact of its statutory base rate formula on Facility application counts and the number of policies-in-force, and the Commissioner has put forth a proposal to change the method for determining base rates in order to address this shrinkage.

Since the Commissioner's proposal does not require any changes to the applicable statute, and since we have received a positive preliminary review from counsel, it will be my suggestion that we continue to explore the possibility of implementing the Commissioner's proposal.

Over the course of the instant legislative session, the House of Representatives has overwhelmingly passed a bill to reassign the Assigned Claims Facility (ACF) from the Secretary of State to the MAIPF due to the operational similarities and the desire to identify and implement operational efficiencies for the ACF. The MAIPF will continue to provide technical input as this bill progresses.

As a means of bringing additional economy to the Facility's operations, we engaged in preliminary discussions with Facility members and Michigan Basic members in an effort to identify operational synergies. For reasons that were unclear to me, those efforts were abandoned by Michigan Basic. Given the similarity in operations and membership I recommend that we continue to monitor for new opportunities to work together with Michigan Basic to achieve economies.

Other operational details for the Facility during FY '11 will be reflected in the General Manager's report.

Respectfully Submitted,

Kurt D. Gallinger, Chairman  
Board of Governors



