



Michigan Automobile Insurance Placement Facility

www.maipf.org

Newsletter

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Effective 03/01/2018 changes to our Producer Performance Program will be implemented.

What are the main changes to the program?

- Tracking of Producer Violations
 - Currently, escalations of producer activity are based on an accumulation of the same violation code. With our new program, violations will be counted in aggregate, regardless of the violation code
 - Example:
 - Current Program:** A producer would have received a warning letter only after accumulating 3 Late Application violations within 12 months.
 - New Program:** If a producer receives a Late Application, Missing Health Card, and Missing Driver's License violation within 12 months, that producer will receive a warning letter.
 - **Note: The MAIPF still reserves the right to accelerate discipline for Serious and/or Flagrant Violations, or zero-tolerance violations (see below)**

- Zero-Tolerance Violations
 - The MAIPF has developed a list of certain extreme violations which will result in the producer being immediately referred to the Producer Performance Committee for review for disqualification.
 - Producer Training
 - After receiving a second warning letter (when 3 violations are committed in the 12 months following the first warning letter), the producer will be required to complete training as prescribed by MAIPF in order to continue to have access to MAIPF rating systems.
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Why is the Producer Performance Program Changing?

In 2017, on average, the facility recorded just over 162 producer violations per month. The most frequent violations observed were around vehicle ownership documentation, late applications, and receipt of a legible copy of a health card and/or driver's license. An application with a violation causes additional follow up work for MAIPF and the servicing carrier that would otherwise not be needed if the proper procedures were followed. Some violations could result in the policy being improperly rated, causing disruption for the insured, the producer, MAIPF, and the servicing carrier. These inefficiencies are ultimately impacting all auto insurance consumers in the state because of a higher assessment.

What about existing Producer Records?

Effective 3/1/18, MAIPF will begin counting violations based on the new program rules. Producers will be grouped into the following starting points:

- Producers who have not received a warning letter within the past 12 months will be considered to have zero (0) violations in the new program.
- Producers who have received a first or second warning letter in the current program will be considered as having received a first warning letter, but no subsequent violations, in the new program.
- Any producers currently under review of the producer performance committee will remain in that status.

For further details, please review the updated producer violation guide on the MAIPF website at <http://www.maipf.org/producers.aspx>

For a refresher on the MAIPF application process, please use the link "Producer Training Guide" on our producer tools page: <https://www.maipf.org/Authorized/home.aspx> (login required)