



Michigan Automobile Insurance Placement Facility Spring 2011 Newsletter

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MANAGER'S MESSAGE

Terri A. Miller, CPCU – MAIPF General Manager



Spring has sprung – and has sprouted a new “crop” of insurance bills in the Michigan Legislature. We are monitoring all insurance-related legislation to determine the impact (if any) on MAIPF operations and we will keep you informed of any changes we see on the horizon. We encourage you to stay informed through your companies, your trade associations and websites like <http://www.legislature.mi.gov>, where you can sign up for email notification when any insurance or auto-related legislation is introduced and moves through the legislative process.

Please contact me (info@maipf.org) if you have any questions or suggestions about Facility operations.

Allstate Servicing Carrier Status

Michigan statute requires the top five private passenger insurers to act as servicing carriers for the MAIPF, and up to five additional carriers can serve on a voluntary basis. In 2006, Progressive replaced Allstate as the fifth-largest private passenger insurer in Michigan. Since Facility application volume was decreasing, our Board of Governors and member companies approved a change to our plan of operation which allowed us to have Progressive “sit the bench” until volume increases to a set number of applications. Allstate opted to stay on in a voluntary capacity.

Allstate recently decided to retire the legacy computer system used to process MAIPF policies and therefore requested that they not be assigned additional new business applications. The MAIPF Board of Governors approved this request, so we are working with producers to reassign policies as they renew. Allstate will continue to service claims for all policies they have written until they are closed.

MAIPF Board of Governors Elections

At the March 28th Annual Meeting, MAIPF member companies elected the following insurers to the Board of Governors for the 2010/2011 term: Amerisure, Allstate, Auto Club, Auto-Owners, Citizens, Hastings and State Farm.

The current Insurance Commissioner appointees are: Producer Representatives – Cheri Locker and LeRoy Bostic; and Public Representative – Chui Karega.

IMPORTANT NOTICE – MANDATORY ELECTRONIC APPLICATIONS E.A.R.S. AND C.A.R.S.

Effective **July 1, 2011**, the MAIPF will require all private passenger and commercial non-fleet applications to be submitted electronically via the MAIPF website.

Private Passenger applications must be submitted through our **Electronic Application and Rating System (EARS)**. With 90% of the applications currently being submitted electronically, producers by and large already accept the process, but now we're making it official. Handwritten applications will only be accepted if the EARS on-line rating system becomes unavailable. Under those circumstances, private passenger applications can be downloaded from our website to complete manually.

Producers will also be required to submit all **non-fleet** risks through our **Commercial Application and Rating System (CARS)**. Fleet risks are not included in this requirement; however, you're certainly welcome to use CARS to develop a premium indication and application. We just made things even easier; a recent programming upgrade now allows you to submit multiple locations for non-owned risks and multiple vehicles for private passenger types and taxicabs. By July 1, worksheets for Trucks and Publics will have the capability to rate multiple vehicles. As with our private passenger program EARS, handwritten applications will only be accepted for non-fleet commercial risks if the CARS rating system becomes unavailable. Under those circumstances, paper applications can be downloaded from our website to complete manually.

Remember, while the application is generated at the end of an EARS/CARS submission, the temporary certificate of insurance is not included as part of the printout. Producers should make sure that they have an adequate supply of certificates (MAIPF-01) on hand to issue to their private passenger applicants, and to commercial applicants if the requirements for immediate certification are met. After the EARS/CARS entry process is complete, the application, deposit, ownership documentation and any other applicable documentation must be mailed to the MAIPF by your next working day.

Commercial Application Tips:

- To avoid duplicate submissions, click the submit button only once.
- After clicking the **View/Print MAIPF-04** button, please be patient while MAIPF-04 loads. If you have an older or less robust computer, this may take a minute or so.
- While you are waiting, please look toward the top of your screen to make sure that you are allowing "pop-ups".

We're thrilled about the positive feedback from producers. As one producer put it, "CARS has allowed me to look at options for a line of business that I always thought was off limits or, at best, complicated". We hope you find these products useful as well.

Commercial Deposits

Here's another change that will make it more efficient to use our Commercial Application and Rating System (CARS). Effective 07/01/11 the amount of deposit collected will depend on how you submit your commercial application.

- When applications are submitted through CARS, the deposit is calculated for you - 25% of the estimated premium.
- When applications are submitted manually, the deposit for each auto (or location) is 25% of the estimated annual premium **or** the dollar amount shown in the manual, whichever is *greater*.

Frequently Asked Question

Q – What is the proper way to notify your office when my agency moves?

A – Our website has a Change of Address form (login required) which populates the address that we have on file which matches your System I.D. You simply provide your new information, which is then uploaded onto our system by the next working day. We prefer that you not use the Agency Registration form, which is the method used for notifying us of producer changes in your office.

New Producer Login

Have you noticed the different login points on the home page of our website?

The screenshot shows the MAIPF website home page. At the top right, there is a link for "Producer Sign in or Register". A navigation bar contains links for Home, MAIPF, Producers, Servicing Carriers, Board & Member Companies, Private Passenger Rating, Commercial Rating, Contact Us, and Login. A blue box labeled "Producer Login Points" has arrows pointing to the "EARS/CARS/PP Quick Quote (Producer Log In)" link in the right-hand menu and the "Login" link in the navigation bar. The main content area includes a notice about the Michigan Automobile Insurance Placement Facility (MAIPF), an "Agency/Producer Registration Form", a "MAIPF e-Newsletter" section, and a "HEAT" logo with information about the HEAT program. A search bar and a "Get Adobe Reader" link are also visible.

By entering your user name and password using either of the upper login points, you are allowed to move about the website until you click on the logout feature or exit the website entirely. This will eliminate the redundancy of reentering your user name and password each time you exit and reenter the producer's authorized site. A "Welcome Back" message along with a "Logout" link is verification that you're logged in. This doesn't mean that you should disregard the original login point (red link) as you'll need it to reenter the secure site if at any time you travel to the main website and want to go back to the authorized site. Just so there is no confusion, there is no right or wrong entry point and it doesn't matter how you get in; it's simply a convenience factor and a time saver for frequent users of EARS, CARS or any of the programs available in the secure area of our website.

EARS and CARS Updates

Vehicle Inspection Section - One of the great things about EARS is the precise information that we collect. This allows the servicing carriers to turn around an accurately rated policy to the insured. We continue this standard with our most recent enhancement to EARS regarding the request for physical damage coverage. Any time comprehensive and/or collision are requested, the vehicle inspection portion of the application must be completed. In fact, the MAIPF manual states that if a completed vehicle inspection form is not submitted with the application, the servicing carrier will issue the policy without comprehensive and/or collision. You'll be relieved to know that a failsafe is now in place on EARS so the user cannot advance until the required vehicle inspection section is completed on risks requesting physical damage. Please note that the current odometer reading is required, so don't overlook that important piece of information.

New feature in CARS - You may now use the worksheets for PPTs and Taxicabs to rate more than one Vehicle.

MAIPF Manual Revisions

Overview

Effective	Chapter	Revision	Status
7.1.2011	Availability, V.	Uniform Coverage—CA 22 20 03 11—Michigan PIP	Approved
	Appendix 1	MCCA Assessment	
10.1.2011	Private Passenger Rate Schedules	Private Passenger Base Rates	Pending
	Commercial Rate Schedules	Commercial Base Rates	
	Availability D.	Application for Placement: Mandatory use of EARS & CARS *	
	Availability G.	Premium Payment Requirement (Commercial Deposit) *	
	Availability H.	Deferred Payment for Private Passenger—Revised *	
	Availability, V.	Uniform Coverage—AP 50 21 03 11—Revised Michigan PIP	
	Private Passenger	Recreational Trailers *	
	Appendix 1	MACF Assessment	Not Filed

* See Related Article

MAIPF Rate Revisions

Effective 7.1.2011 for New Business & Renewal Policies

APPENDIX 1	PP Chapter (semi-annual)	Commercial Chapter (annual)	
		PPNF	Commercial
Additional Charges to PIP	\$117.00	\$362.00	\$360.00
MCCA	\$80.00	\$60.00	\$160.00
MLPD (per auto)	\$5.00	\$10.00	Dealer/Transit Plates: \$14.00 Taxicabs: \$17.00 All Others: \$14.00
Uninsured Motorists Coverage	Refer to PP Rate Section		Per Registered Auto: \$5.00 Dealer/Transit Plates: \$5.00

Effective 10.1.2011 for New Business & Renewal Policies— PENDING

Private Passenger	% Change	Commercial	% Change
		Trucks, Tractors, & Trailers/Related	0.2%
Bodily Injury	4.1%	Public Automobiles (w/o Taxicabs)	-8.7%
Property Damage	9.2%	Taxicabs	-3.5%
Personal Injury Protection	-8.6%	PP Types and Related Lines	-9.1%
Property Protection Ins.	16.8%	Zone Rated Risks	-5.5%
Mandatory Coverages	-5.4%	Employers' Non-Ownership Liability	-11.0%
Optional Coverages	-14.2%	Comprehensive and Collision	-9.2%
Overall Total	-7.5%	Overall Total	-6.7%

AIPSO—MAIPF Electronic Manual

AIPSO's CHECKING SLIPS http://www.aipso.com/MIManuals/	MAIPF MANUAL REVISIONS	EFFECTIVE DATE
MI 2011 Revision 001	Availability, Uniform Coverage CA 22 20 03 11—Michigan PIP	Effective July 1, 2011

The schedule contained in CA 22 20 03 11 (Michigan Personal Injury Protection endorsement) displays a maximum limit of \$4,929 per month for Work Loss and Survivors Loss Benefits. This amount is adjusted annually. Rather than revise the form each year, we will be introducing a generic form, AP 50 21 03 11, which states that the limit is the amount established by Chapter 31 of the Michigan Insurance Code (proposed effective October 1, 2011).

Application Trends

Through March 2011 we have received 309 private passenger applications – down 45.1% from the same period in 2010. We received 103 commercial applications, a reduction of 3.7% from 2010.

AIPSO's Website — MAIPF Electronic Manuals
<http://www.aipso.com> (login required)

If you have visited AIPSO's website since August 2, 2010, you have noticed their redesign and login requirement. For those of you who have not—and were registered—you will be required to re-register to access the MAIPF electronic manual. If you have any questions regarding their redesigned website, please e-mail them to <https://www.aipso.com/ContactAIPSO.aspx>.

Private Passenger Installment Payment Service Charge
Proposed Effective 10.1.2011 for New Business & Renewal Policies

The service charge on each private passenger deferred payment will increase from \$5 to \$6 on October 1, 2011. This fee has not changed since 2004. The service charge for Commercial Auto will remain at \$5.

Private Passenger Recreational Trailers
Physical Damage Coverages
Proposed Effective October 1, 2011 for New Business & Renewal Policies

Rather than revise the flat rates for physical damage coverage for recreational trailers, we are revising the rate development to be a percentage of private passenger premiums. As a result, the rates for trailers will change as the private passenger rates change.


HEAT® Program

The HEAT® Program is into its 26th year and is going strong. Our program has aided law enforcement in the recovery of over \$52 million in stolen vehicles and related property, and has paid rewards to tipsters totaling over \$3.6 million.

HEAT® is a confidential, toll-free tip line to allow citizens to report information about auto theft, auto theft-related insurance fraud or identity theft, carjackings, theft rings and chop shops. If the suspects are arrested and bound over for trial, rewards can range up to \$10,000! All funding for the program is provided by Michigan auto insurers. Live operators are ready to take calls 24/7.

To date in 2011, we have already awarded over \$20,000 to tipsters who provided information leading to fourteen arrests and the recovery of over \$204,000 in stolen vehicles and other property.

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 info@miheat.org. Program information and theft prevention tips are also available on our web site, www.miheat.org.

	Help Eliminate Auto Thefts by reporting Auto Theft & Auto Related Crimes	
	Call the 24/7 HEAT® Confidential Tip Line 1-800-242-HEAT OR Report Tips Online!	Contact us for HEAT® Info and to Order Supplies

We Want to Hear From You

Your feedback is especially important to us and we want to hear from you. Please share with us your experience, good or bad with any Facility related item; from our website, rating programs and employee support. Send us your comments at info@maipf.org.

How to Contact Us:

MAIPF Applications & General Correspondence	Drop off applications at our office Monday through Friday, 8:00 A.M. to 4:20 P.M.		
MAIPF P.O. Box 33617 Detroit, MI 48232-5617	17456 Laurel Park Drive N., Suite 130 E, Livonia MI 48152-3981. Our office is near 6 Mile Road & I-275. Our parking lot is adjacent to Laurel Park Mall.		
Phone: 734.464.1100	Email: info@maipf.org	Fax: 734.464.0009	Internet: www.maipf.org

Servicing Carrier Directory

CARRIER	ADDRESS	PHONE NUMBER
Allstate	PO Box 40049 Roanoke VA 24022-9825	(866) 245-9172
Auto Club	JUA Processing 1 Auto Club Drive Dearborn MI 48126-2694	(313) 336-2530
Auto Owners	JUA Operations 6101 Anacapri Blvd. PO Box 30660 Lansing MI 48909-8160	(517) 323-8740 or (517) 323-8741
Citizens	Auto Plan Department PO Box 930 Howell MI 48844-0930	(800) 243-8921
State Farm	JUA Operations 2550 Northwestern Ave. West Lafayette IN 47906-1394	(765) 463-8140
Amerisure (Commercial)	26777 Halsted Rd PO Box 9201 Farmington Hills MI 48333-9201	(800) 789-9594
For a complete listing of servicing carrier claim offices in Michigan, go to http://www.maipf.org/SC/SC-Directory.pdf		