



Michigan Automobile Insurance Placement Facility

www.maipf.org

Newsletter

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MAIPF - Premium Rebates/Credits Due to COVID-19

Due to the current situation regarding COVID-19, many voluntary market insurers have announced rebates or credits to policyholders as a result of reduced driving activity. This communication is to advise producers that, at this time, MAIPF has made the decision **not** to issue credits or rebates to MAIPF policyholders.

The MAIPF is regulated by different laws than voluntary carriers. As a result, the premiums MAIPF collects generally are not enough to cover the total risk of loss, which would cause the MAIPF to operate in a financial deficit. Each year this deficit is covered by means of an assessment paid by all voluntary carriers writing auto insurance in the state of Michigan, which can impact the premiums charged to policyholders. It is unlikely that the few months of reduced driving activity would be enough to cover the total risk of loss to the MAIPF.

Anticipated FAQ's from Policyholders

- Q: I saw an advertisement that [Servicing Carrier] announced their policyholders were receiving rebates. Am I receiving a rebate, too?
- A: MAIPF policies are issued by the servicing carrier on behalf of the MAIPF. The MAIPF has its own rules and rates which are completely separate from, and are not controlled by, the servicing carrier.
- Q: I have not been driving for [period of time], why can't I have a refund for that time?

A: The premiums paid are generally not enough to cover the total risk of loss to the MAIPF, even with reduced driving for a period of time. The insured is paying what the law requires MAIPF to charge for the coverage.

Q: *Commercial Auto* Can I remove vehicles from my policy that are not being used?

A: Insureds may request removal of vehicles from their policy. Please keep in mind that only the vehicles listed on the policy are covered by the policy; so only vehicles that are truly not being operated should be considered for removal. Additionally, the MAIPF must still abide by all rules and regulations for Local, State, and Federal commercial vehicle filings. Please contact Amerisure directly if you have any questions related to deleting a vehicle from an auto policy that requires a filing.

Update on MAIPF Non-Pay Cancel Moratorium

In a newsletter from April 6, 2020, the MAIPF announced a moratorium on non-pay cancellations effective through May 1, 2020. Please be advised that this has been extended through May 31, 2020. Further updates will be provided as more information becomes available.

Note: During the period of the non-pay cancel moratorium, new business rules and requirements regarding sufficient down payment remain in effect.