Frankenmuth Insurance Announces Rule and Rate Revisions on Michigan Personal Auto

Good news! We have heard you and Frankenmuth Insurance is excited to announce changes to our Michigan personal auto program, based on your feedback for needed improvements. The following rule and rate adjustments are designed to provide some rate relief to accounts with youthful drivers, households with more vehicles than drivers, and those who pay their premiums in full.

Key Revisions

- **Driver age factor** reductions up to 10% for ages 16-24.
- **Driver to vehicle ratio factor** reductions up to 5% for liability coverages, other than personal injury protection, and physical damage coverages designed to provide rate relief to households where there are more vehicles than drivers.
- **Annual pay plan discount** increasing to 10%.
- **Semi-annual pay plan discount** for 12-month policies increasing to 10%.

Additional Revisions

We have introduced the following:

- **Full coverage discount:** This new discount will apply to liability coverages when both liability and physical damage coverage applies to the vehicle. Previously, a surcharge was applied to vehicles with liability coverages only. Existing liability only vehicles are not impacted by this change.

The following rate adjustments have been made:

- Driver age factors have been adjusted and include rate relief for drivers ages 16-50 years old. Drivers over age 50 will receive a slight increase.
- Not at Fault loss count factors have been adjusted as follows:

We are no longer offering a discount for those policies with no Not at Fault loss. Surcharges for those policies with one or more Not at Fault losses have been increased.

- Violation count factors have been increased slightly.
- Payment plan premium adjustments for monthly, quarterly, and payroll deduct have been eliminated.
- Loyalty discounts have been adjusted slightly to allow for minimal premium disruption as policyholders transition from the **advance quote discount** into the loyalty discount.
- Households with more drivers than vehicles may experience a small rate decrease.
- All base rates have been adjusted with an inflationary increase to UM/UIM, PIP, and other than collision coverage. All other coverages are receiving a slight decrease.

Although individual policyholders' results will vary, the overall rate impact for the Michigan auto program is -1.5%.

Effective Dates

This rate change is effective March 1, 2022.

If you have any questions, feel free to contact your Personal Lines field manager or underwriter.

Thank you for your continued partnership with Frankenmuth Insurance.