Frankenmuth Insurance Announces Michigan Personal Auto Product Changes

As we close the books on 2018, we look forward to a new year, as well as new changes to our Personal Auto product.

Last year, Michigan Personal Auto struggled to see loss ratio improvement, and ended 2018 with a loss ratio of 68.3%. This result was driven by increases in new auto losses, which were up 6.2%, and average incurred per auto losses, which were also up 6.8% versus the prior year.

In order to achieve profitable results, we will be implementing a semi-annual rate adjustment effective March 1, 2019. The specifics of this auto rate change are:

- **Overall Change**: +2.9%
  - Liability: +3.4%
  - PIP: +6.7%
  - Other than Collision: +0.6%
  - Collision: +1.4%

In addition, as part of this rate adjustment, we are also making the following revisions:

- **Newer Model Year Vehicles**: You will see decreased rates for newer model year vehicles. This should improve our competitive position in this risk segment.
- **Merit Rating**: We are increasing rates for operators with 2 to 5 points on their motor vehicle record. This is to gain rate adequacy on drivers with violation activity.
- **Personal Injury Protection (PIP) Coverage**: Policyholders with Coordinated Medical PIP option will see a smaller rate increase than those with Full Medical.

If you or your staff have any questions regarding these changes, please contact your Personal Lines field manager or underwriter.

We look forward to working together to achieve mutual profitability in the New Year and laying a solid foundation for improved results for Personal Auto.

Thank you for your continued support and partnership with Frankenmuth Insurance.