Frankenmuth Insurance Introduces Rate Increase on Michigan Personal Auto Product

In recent years, we have tried to apply a consistent strategy of taking minimal, annual rate increases to limit disruption in your agencies while still ensuring profitability. This was evident by the 2.1% Personal Auto increase that was introduced on March 1 of this year.

Unfortunately, as we continue to keep a watchful eye on Michigan's severity, it has become evident that this modest increase will not be enough to prevent the erosion of our Personal Lines book. Therefore, we will be introducing a second Personal Auto increase of 3.0% effective Sept. 1, 2018.

We are, however, makings some other changes effective Sept. 1 to aid our agencies in writing and retaining business:

- The multi-policy discount will be **increased from 10-12%** to better aid in targeting rounded accounts.
- Loss count factors have been revised. This will result in a rate increase for policyholders with 2+ losses, while **decreasing** those with more than six years of continuous coverage and lower claims experience.
- Based on your feedback and additional research, we are making a rule change for quoting and policy issuance. We will now allow one policy to be written for resident relatives (i.e. father/child) who individually own a vehicle and live in the same residence.

In addition to the changes above, we will no longer reimburse agents for home photos submitted with new business applications as of Oct. 1, 2018. We will continue to ask for photos to be submitted with new property risks, however due to the improved technology in receiving home photographs from insureds and the ability to send them electronically, we feel printed photographs are no longer necessary. Please keep in mind that whether or not the agent takes the photograph, we still recommend an agency representative see the home prior to binding coverage to confirm the insurability of the home.

We recognize the challenges a rate increase can bring and thank you for being such loyal partners over the years. Your partnership is very important to us, and we will continue to strive to bring you the excellent service and products you expect from Frankenmuth Insurance.

Should you have additional questions regarding any of these changes, please contact your Personal Lines field manager or underwriter.