Frankenmuth Insurance Updates Underwriting Guidelines for Nonowner Controlled Vehicles

Lately, Michigan Personal Lines has received questions regarding the best approach to writing policies for nonowner controlled vehicles, which are defined under Michigan Statute as vehicles in the care, custody or control of an individual who is not the owner or titleholder.

To better assist you in the frontline underwriting process, we are making adjustments to our guidelines for this type of auto exposure. The following specifics are how we plan to address these exposures:

- Any person who has the care, custody or control of a vehicle for a period of more than 30 days, and who does not reside in the same household as the titleholder, will be required to obtain their own auto policy for the vehicle in their possession. In these cases, the titleholder of the vehicle will need to be listed as an Additional Insured.

- Without a separate policy, the individual who is in the care, custody, and control of the vehicle could be denied Personal Injury Protection (PIP) benefits because they are not a resident relative of the titleholder's household.

This new guideline will take effect immediately for new business and endorsements.

We are confident that this adjustment will not only help us improve the rate accuracy of auto exposures, but also assist us with underwriting the appropriate household members, applying the proper rate for the garaging location, and providing our mutual customers with the appropriate protection by preventing gaps in coverage.

If you have any questions, please do not hesitate to contact your Personal Lines underwriter or field manager. Understandably, each risk situation is unique, so we stand ready to assist you and your staff with these types of exposures on your new or renewal business.

Thank you for your continued support of Frankenmuth Insurance!