Good News on Personal Lines Payment Plans

The long-term profitability of our Personal Lines business is one of Frankenmuth's highest priorities. We've shared this message consistently with you the past couple years and we will continue to do so going forward.

Why is this so important? Company-wide, Personal Lines represents 49% of our overall premium and nearly 70% of our Michigan business. For FI to continually provide a stable, dependable market, it is imperative Personal Lines be profitable year in and year out.

We have some good news to share with you, but first let us offer some perspective.

In late 2013 we took steps to increase the percentage of PL customers with high insurance scores (743 and above), as these customers are consistently more profitable than those with lower insurance scores. For new customers with lower insurance scores (below 743), we implemented a Full Payment Plan requirement, including the use of Continuous Credit Card.

Since instituting this requirement, we have improved the percentage of Personal Lines business with high insurance scores. Because this business performs better, we are confident we are in a much better position to achieve more consistent profitability and stable long-term results.

We offer our sincere appreciation to you as well, for your efforts in helping us improve the quality of our Personal Lines book. Your support is instrumental to our success.

So on to the good news!

Effective immediately, we are discontinuing the Full Payment Plan requirement on select new business. New Personal Lines customers with Insurance Scores of 697 and above (Tiers #220 – #340) will no longer be required to pay the full premium, but will have access to all available payment plans.

This change will enable you have more success writing new business with Frankenmuth Insurance while contributing to our mutual long-term success and profitability.

If you have any questions or wish to discuss these changes, please call your Personal Lines Field Manager, Underwriter, or me.