OH Auto & Umbrella Product Changes

Frankenmuth Insurance has a desire to grow its Personal Line business in Ohio, and we understand that in order to do so, we must deliver a competitive auto product to our Agency Partners. Unfortunately, this is often a difficult balance between producing consistent profitability and staying competitive. Achieving this balance will allow us to improve our auto product as well as find new ways to meet the insurance needs of new and existing customers.

To aid us in this process, we will be taking a slight auto inflationary rate adjustment effective Dec. 1, 2015. Details of this rate adjustment are reflected below:

- Overall Rate Change: +1.7%
- Comprehensive: 2.2%
- Collision: 4.7%

Personal Lines Umbrella
We recently informed you of some Personal Auto changes in reference to the Ride and Vehicle Sharing programs. We have made similar changes to our Personal Umbrella coverage as well. The following changes to policy language will apply to new business and renewal policies effective Dec. 1, 2015.

Ride Sharing: Transportation Network Companies (i.e. Uber, Lyft) offer Ride Sharing services utilizing smart phone applications and other Internet-based platforms to connect passengers with drivers for a fee. Today, the policy contains an exclusion for an insured's liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. Generally implicit in the terms "public or livery conveyance" is the concept the vehicle is being used for a commercial purpose that may involve a charge.

Since Ride Sharing services are available to the general public as a conveyance for a charge, such exposures fall within the scope of the "public or livery conveyance" exclusion. To provide clarity within our current umbrella policy language, we are adopting the ISO exclusionary language to define Transportation Network Companies and how they relate to public or livery conveyance. This policy language will be in the Umbrella Amendatory Endorsement (click here to review), Form #10946, (12-15). This exclusionary language has references to the transportation network platform and provides clear language when the exclusion applies.

Vehicle Sharing: Vehicle sharing programs (i.e. RelayRides, Getaround) facilitate the sharing of privately owned vehicles for noncommercial use by individuals enrolled in such a program. These programs typically attract individuals who do not own a vehicle but provide more flexibility than traditional car rental businesses. In order to address Vehicle Sharing exposures, we have revised the amendatory endorsement (click here to review), Form #10946 (12-15), to exclude coverage in situations when your covered auto is being operated within the context of a Personal Vehicle Sharing program.

Business Use: In addition to the above, the business use exclusion was revised by adding in verbiage that clarifies the intent of what will be covered for business use. We will provide coverage for business use when an underlying policy listed in the Declarations is providing this coverage and will not be for broader coverage than provided by this insurance.

To view the Notice to Policyholders, Form #1830 (12-15), regarding Ride Sharing and Vehicle Sharing exclusions, click here.

Our company vision is "to be the insurer of choice," so we hope you'll continue to quote us on your new business and provide feedback on how we can do this together. Please contact Leslie Petulla, your Personal Lines Underwriter, or me if you have any questions.

Thank you for your continued support of Frankenmuth Insurance.