State of Michigan Announces MVR Fee Increase

In 2012, Frankenmuth Insurance introduced an Agency MVR Chargeback program to manage the ever increasing costs of third party reports used to underwrite personal lines business. Through this program, an agency is charged the state's MVR fee if the agency issues less than 70% of the operators for which MVRs are ordered. If an agency issues at least 70% of those operators, there is no cost to the agency. However, if an agency falls below the 70% threshold, the agency is charged the fee.

Effective Oct. 1, 2016, the State of Michigan is increasing the MVR fee from $8 to $11. As a result, we'd like to remind you of ways you can identify how and when these fees are being charged:

- **iBIS Prompt:** This prompt is displayed at the "Prepare for Submission" step and is labeled: "Charges may apply." This will assist you and your staff in knowing exactly when the MVR will be ordered in the process.
- **Quick Quote feature within iBIS:** This assists your staff in knowing if we are a competitive market for your customer. The Quick Quote stage will provide your staff the quoted premium on the account. The quoted premium could potentially increase as your staff continues with an underwritten quote.
- **Enhanced third-party report screen:** Enhancement of this screen allows you to order the loss history report before you take on the ordering of the MVRs. This will help you gauge if the insured is still eligible to be written with FI. Also, remember that MVRs can be ordered on a per operator basis, rather than all operators on the risk at once. If you have concerns on the past driving history of one of the operators, it may be best to start with this individual order.

We hope these tips will help minimize the impact of the MVR fees increase. Thank you for your continued support in helping us manage costs to ensure mutual profitability.

If you have any questions about the MVR increase or the tips offered above, please feel free to contact your Field Manager.