

RULES – APPROVED

APRIL 2, 2020

COMMERCIAL AUTOMOBILE

LI-CA-2020-174

MICHIGAN COMMERCIAL AUTO NO-FAULT AUTO INSURANCE REFORM RULES REVISIONS APPROVED

KEY MESSAGE

The Michigan Department of Insurance and Financial Services (DIFS) has approved Commercial Auto rules filing [CA-2019-RIL1](#).

BACKGROUND

In circular [LI-CA-2020-162](#), we announced that we had submitted a fourth amendment to rules filing [CA-2019-RIL1](#) with the Michigan DIFS.

INSURANCE DEPARTMENT ACTION

The Michigan DIFS has approved rules filing [CA-2019-RIL1](#) as filed and amended.

EFFECTIVE DATE

The ISO revision is subject to the following rule of application:

These changes are applicable to all policies written on or after July 2, 2020.

COMPANY ACTION

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are not required to file anything with the Insurance Department.
- To use our revision with a different effective date, to use our revision with modification, or to not use our revision, you must make an appropriate submission with the Insurance Department.

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Designation Number [CA-2019-RIL1](#), not this circular number. Communications with the regulator concerning a filing affecting multiple lines of business (i.e., CL, PL, AL filing designation) should specify the line(s) of business that you are addressing.

RATING SOFTWARE IMPACT

New attribute being introduced with this revision:

- New, additional factors are being introduced.

POLICYHOLDER NOTIFICATION

If you decide to implement this revision, you should check all applicable laws for the state(s) to which this revision applies, to determine whether or not a specific policyholder notice requirement may apply. Please note that circular [LI-CL-2019-057](#) contains the ISO Guide To Renewals With Changed Conditions For Commercial Lines, which is available only as a guide to assist participating companies in complying with various conditional renewal statutes or regulations, for the major commercial lines of insurance serviced by ISO. The information in the Guide does not necessarily reflect all requirements or exceptions that may apply, and it is not intended as a substitute for your review of all applicable statutes and regulations concerning policyholder notification.

REVISION DISTRIBUTION

We will issue a Notice to Manualholders with an edition date of 7-20 (or the earliest possible subsequent date), along with any new and/or revised manual pages.

RELATED FORMS REVISION

We are announcing in a separate circular the approval of a corresponding forms revision. Please refer to the Reference(s) block for identification of that circular.

RELATED LOSS COSTS REVISION

We are announcing in a separate circular the approval of a corresponding loss costs revision. Please refer to the Reference(s) block for identification of that circular.

REFERENCE(S)

- [LI-CA-2020-176](#) (04/02/2020) Michigan Commercial Auto No-Fault Auto Insurance Reform Non-Optional Class Plan (OCP) Loss Costs Revisions Approved
- [LI-CA-2020-173](#) (04/02/2020) Michigan Commercial Auto No-Fault Auto Insurance Reform Forms Revisions Approved
- [LI-CA-2020-162](#) (03/31/2020) Michigan Commercial Auto No-Fault Auto Insurance Reform Rules Revisions Further Amended
- [LI-CL-2019-057](#) (12/10/2019) Revised Lead Time Requirements Listing

ATTACHMENT(S)

Commercial Lines Manual Division One – Automobile Michigan Exception Pages

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ADDITIONAL RULE(S)

**RULE A1.
LIMITED AND BROADENED COLLISION COVERAGE**

The option to purchase either Limited Collision Coverage or Broadened Collision Coverage may be offered. However, if the policy insures private passenger non-fleet autos, the option to purchase such coverages must be offered with the initial writing of the auto policy. The option to purchase Collision Coverage may be offered.

A. Limited Collision Coverage

Use Michigan Limited Collision Coverage Endorsement **CA 22 23** to provide coverage for collision damages if the operator of the covered auto is not substantially at fault in the accident. This coverage is available only on those vehicles for which the insured does not elect to purchase Collision Coverage or Broadened Collision Coverage. Limited Collision Coverage must be offered without a deductible amount for private passenger non-fleet autos, but deductible options may be offered. For Limited Collision rating options, refer to Rule **101**.

B. Broadened Collision Coverage

Use Michigan Broadened Collision Coverage Endorsement **CA 22 22** to extend Collision Coverage to provide a waiver of the Collision Coverage deductible if the operator of the covered auto is not substantially at fault in the accident. This coverage is available only if the insured does not elect to purchase Limited Collision Coverage. The deductible is the deductible amount applicable under the standard Collision Coverage. For Broadened Collision Coverage rating options, refer to Rule **101**.

C. Rating Procedures For Certain Vehicles

When Collision Coverage premiums for miscellaneous or other classes are determined by reference to private passenger types or truck, tractor or trailer premiums, apply the same factor to determine the Limited Collision Coverage or Broadened Collision Coverage premium.

**RULE A2.
PROPERTY DAMAGE LIABILITY COVERAGE BUYBACK**

A. Eligibility

For autos subject to the Michigan No-fault Law, Liability Coverage does not apply to damage to a motor vehicle caused by an accident occurring in Michigan. Use Class Code 7970.

B. Applicable Endorsement

A Property Damage Liability Coverage buyback may be offered. Use Michigan Property Damage Liability Coverage Buyback Endorsement **CA 99 41**. This coverage, subject to a limit of \$3,000 per claim, will either pay for the damage or reimburse the insured for payment of a small claims judgment.

C. Premium Development

This coverage must apply to all autos insured on the policy.

1. Auto Dealer Risks

Charge the amount shown in state loss cost Table **A2.C.1.(LC)** for each set of dealer or transporter plates in addition to the premiums charged for any individually rated autos in Paragraph **C.2**.

2. Individually Rated Autos

Charge the amount shown in state loss cost Table **A2.C.2.(LC)** for each auto. Do not charge for trailers when power units designed to tow such trailers are insured for property damage liability on the same coverage form.

3. Modification

Do not modify the premium under any rating plan or other manual rule provision.

**RULE A3.
RESERVED FOR FUTURE USE**

**RULE A4.
MICHIGAN CATASTROPHIC CLAIMS ASSOCIATION
SURCHARGE**

- A.** For each auto other than trailers subject to no-fault where the number of vehicles can be identified, refer to the Michigan Catastrophic Claims Association Assessment Bulletin.
- B.** For historic vehicles defined by Michigan Vehicle Code Section 257.20a, refer to the Michigan Catastrophic Claims Association Assessment Bulletin for the appropriate surcharge.
- C.** For commercial fleets written on a gross receipts basis or where commercial auto vehicle years cannot be identified, multiply the PIP written premium by the following factor to determine the applicable additional charge:

Factor
2.947

Table A4.C. Commercial Fleets Additional PIP Coverages Factor

- D.** This additional charge is to be added to the final PIP premium that otherwise applies, after the application of all premium development calculations.
- E.** In the event of changes or cancellation during the policy term the applicable changes and cancellation rules apply. Otherwise, do not modify the additional charge under any rating plan or other manual rule provision.
- F.** There are no separate ISO statistical reporting requirements for the additional charge. For reporting purposes it should be added to the PIP premium for the policy.

**RULE A5.
LIABILITY COVERAGE OPTIONS****Requirements**

- A.** Michigan requires a minimum \$510,000 Combined Single Limit under a policy of automobile liability insurance.
- B.** At the time of application or at the first renewal after July 1, 2020, an insurer shall offer an applicant or named insured the liability coverage options set forth in the Selection form provided by the Michigan Department of Insurance and Financial Services.
- For subsequent renewals issued to the named insured by the same insurer, the liability limits shall remain the same unless the named insured requests other limits by providing a signed and completed Selection form.
- C.** At the time of application or at each renewal after July 1, 2020, an applicant or named insured may select to purchase lower than \$510,000 Combined Single Limit but not lower than \$110,000 Combined Single Limit. If the applicant or named insured fails to provide a signed and completed Choice Of Bodily Injury Liability Coverage Limits Selection form and if the policy currently has limits less than \$510,000 Combined Single Limit, the \$510,000 Combined Single Limit will apply to the policy.

- D.** The Selection forms described above shall be delivered to the applicant or named insured using one of the following ways:
1. Personal delivery;
 2. First-class mail, postage prepaid; or
 3. By electronic means.
- E.** The Selection forms described above shall be completed by the applicant or named insured using one of the following ways:
1. Mark and sign a paper form;
 2. Give verbal instructions as set forth in MICH. COMP. LAWS ANN. § 500.3107e (2)(b); or
 3. Mark the form electronically and provide an electronic signature.

**SECTION I
GENERAL RULES**

**RULE 4.
POLICY TERM**

The following is added to Rule 4.:

- C. For policies written on a continuous basis, at each anniversary date, substitute current editions of applicable forms if changed during the period of coverage.

**RULE 11.
POLICY CANCELLATIONS**

Rule 11. is replaced by the following:

- A. Compute the return premium pro rata and round to the next higher whole dollar when a policy is cancelled. For motorcycles and snowmobiles, refer to Paragraph D. The minimum earned premium for a cancelled policy shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater.
- B. The following provisions apply to bodily injury and property damage liability for private passenger types. Use Michigan Changes – Cancellation And Nonrenewal Endorsement **CA 02 17**.
 - 1. On a policy written as new business, the insurer may cancel only for any of the reasons listed below, unless notice of cancellation has been issued within 55 days of the effective date of the policy.
 - 2. On a policy written as renewal business, unless notice is mailed to the insured by first class mail at least 20 days prior to the expiration date of the policy, the insurance shall continue to be provided except that the insurer may cancel only for any of the reasons listed below.
 - 3. A policy may be cancelled by the insurer by 10 days' written notice if the insured fails to pay the premium for the policy or any installment thereof.
 - 4. Subject to the preceding paragraphs, the insurer may cancel for any of the following reasons:
 - a. The risk is determined unacceptable to the company during the 55 days following the date of original issue of the policy.
 - b. If the named insured or any other operator (either resident of same household or who customarily operates an auto insured under this policy) has had his operator's license suspended during the policy period and the suspension or revocation becomes final.

- C. Compute return premium for motorcycles and snowmobiles as follows:

- 1. For continuous and annual premium payment policies:

Compute the return premium by multiplying the pro rata unearned premium for the one year or annual installment period by the factor in Table **11.C.6.** and rounding to the next higher whole dollar.

- 2. For prepaid policies:

If cancelled during the first year, compute the return premium by multiplying the pro rata unearned premium for the first full year by the factor in Table **11.C.6.** then adding the full annual premium for subsequent years and rounding to the next higher whole dollar.

- 3. For policies with term less than one year:

Compute the return premium by multiplying the pro rata unearned premium by the factor in Table **11.C.6.** and rounding to the next higher whole dollar.

- 4. For auto dealers' policies written on a reporting form basis:

Compute the return or additional premium as follows:

- a. Determine the final annual premium on the basis of the average value reported during the period in which the policy was in effect.
- b. Determine the pro rata earned premium based on the final annual premium for the number of days the policy was in force and round to the next higher whole dollar.
- c. Determine the pro rata unearned premium by subtracting **b.** from **a.**
- d. Multiply the pro rata unearned premium by the factor in Table **11.C.6.** and round to the next higher whole dollar.
- e. Calculate the short rate earned premium by subtracting **d.** from **a.**

**RULE 11.
 POLICY CANCELLATIONS (Cont'd)**

- f. If the short rate earned premium is less than the sum of all payments (including any deposit premium), the difference is the return premium.
- g. If the short rate earned premium is greater than the sum of all payments (including any deposit premium), the difference is the additional premium due.
- 5. Retention of policywriting minimum premium:
 Retain the policywriting minimum premium except when a policy is cancelled as of the inception date.
- 6. Policy cancellation factor:

Factor
0.90

Table 11.C.6. Policy Cancellation Factor

**RULE 12.
 FORMS PORTFOLIO REFERENCE**

The following is added to Paragraph B.:

The following endorsements are mandatory and must be attached to all Commercial Auto Coverage Parts:

CA 01 10 Michigan Changes

IL 02 86 Michigan Changes – Cancellation And Nonrenewal

The following endorsement is mandatory and must be attached to all Motor Carrier Coverage Forms and to Business Auto and Auto Dealers Coverage Forms if the insured is engaged in trucking operations:

CA 23 11 Michigan Motor Carrier – Amendatory Endorsement

The following endorsement must be attached to the Motor Carrier Coverage Form when the Truckers – Uniform Intermodal Interchange Endorsement Form UIIE-1 is attached:

CA 23 18 Michigan Changes – Truckers Endorsement

**RULE 18.
 RATING TERRITORIES**

Paragraph A.3. is replaced by the following:

A. Territory Determination

- 3. If the manual refers to this paragraph to determine rating territory, use Territory 133 when the address of the named insured is located in this jurisdiction.

**SECTION II
 TRUCKS, TRACTORS AND TRAILERS**

**RULE 22.
 PREMIUM DEVELOPMENT – OTHER THAN ZONE-RATED AUTOS**

Paragraph C.2. is replaced by the following:

C. Premium Computation

2. Liability And Property Protection Coverages

- a. Determine the trucks, tractors and trailers base loss cost. Refer to the procedures in Rule 100. for increased liability limits. Refer to the procedures in Rule 98.A. for liability deductibles.
- b. For fleets, multiply the result by the following factor:

Factor
1.10

Table 22.C.2.b. Liability And Property Protection Coverages Factor

- c. Multiply the result by the combined rating factor.

Paragraph C.3.d. is replaced by the following:

3. Physical Damage Coverages

- d. For fleets, multiply the base premiums by the following factors:

Other Than Collision	Collision
.75	.95

Table 22.C.3.d. Physical Damage Coverages Factors

**RULE 80.
 SNOWMOBILES**

The following is added to Paragraph **B.5.**:

- a. For Limited Collision Coverage with no deductible, determine the stated amount of insurance provided and divide this amount by 100. Multiply the result by the loss cost displayed in state Table **80.B.5.a.(LC)**. For deductibles, refer to company for rating.
- b. For Broadened Collision Coverage, add the loss cost displayed in state Table **80.B.5.b.(LC)** to the Standard Collision Coverage premium, as determined in Paragraph **B.5.** The pricing contemplates a \$100 deductible. For additional deductibles, refer to company for rating.

Paragraph **B.6.** does not apply.

**SECTION VII
 COMMON COVERAGES AND RATING PROCEDURES**

**RULE 90.
 HIRED AUTOS**

Paragraph **C.3.f.** does not apply.

**RULE 92.
 MEDICAL PAYMENTS**

This rule does not apply to autos subject to no-fault.

**RULE 93.
 NO-FAULT COVERAGES**

Rule **93.** is replaced by the following:

A. Personal Injury Protection And Property Protection

Use Michigan Personal Injury Protection Endorsement **CA 22 20** and Michigan Property Protection Coverage Endorsement **CA 22 24**.

This coverage must be provided on every auto and trailer having more than two wheels designed for use upon public highways and driven by power other than muscular power.

This coverage is not required for the following:

- 1. Special mobile equipment as defined in the Michigan Vehicle Code.
- 2. Mobile homes.
- 3. Motorcycles.

Base Personal Injury Protection (No-fault) premium includes the appropriate factors in Paragraphs **93.B.** and **93.C.** that have been applied to the published base loss costs.

B. Premium Development – PIP Full Coverage

- 1. Refer to the specific rating instructions in the division rules for autos subject to no-fault.
- 2. If a liability loss cost is provided and Property Protection and Personal Injury Protection loss costs are not provided, calculate the Property Protection, Personal Injury Protection and liability subject to no-fault loss costs by multiplying the liability base loss cost by the following factors:

Coverage	Factor
\$100,000 Liability	.80
Personal Injury Protection	.07
Property Protection	.07

Table 93.B.2. No-fault Factors

- 3. When determining liability premiums for autos where Personal Injury Protection and Property Protection are not required, multiply the liability base loss cost by the following factor only if Personal Injury Protection and Property Protection loss costs are provided for such autos:

Factor
6.20

Table 93.B.3. Not Required Personal Injury Protection And Property Protection Factor

4. Coverage Options

Michigan law requires the explanation and election of Personal Injury Protection Coverage for medical expenses limit or the rejection of such coverage under a commercial auto policy to be in writing through the use of a Coverage Selection/Rejection form that must be filed and approved by the Michigan Department of Insurance and Financial Services. The Coverage Selection/Rejection form shall be delivered to the applicant or named insured using one of the following ways:

- a. Personal delivery;
- b. First-class mail, postage prepaid; or
- c. By electronic means.

The Coverage/Selection Rejection form shall be completed by the applicant or named insured using one of the following ways:

- Mark and sign a paper form;
- Give verbal instructions as set forth in MICH. COMP. LAWS ANN. § 500.3107e (2)(b); or
- Mark the form electronically and provide an electronic signature.

**RULE 93.
NO-FAULT COVERAGES (Cont'd)**

If the applicant or named insured has not made an effective election of Personal Injury Protection Coverage for medical expenses limit or has not rejected such coverage, the following will apply:

- If the applicant or named insured paid a premium or premium installment, the amount paid accurately reflects the level of coverage applicable to the policy.
- In all other instances, unlimited Medical Expenses Coverage applies to the policy.

5. Coverage Limits

The applicant or named insured shall select one of the following coverage limits for medical expenses:

- a. \$50,000;**

This option is only available if:

- (1)** The applicant or named insured is a Medicaid participant; and
- (2)** The applicant's or named insured's spouse and any resident relative of either the applicant or named insured has qualified health coverage as defined by Michigan law, is enrolled in Medicaid or is covered for personal injury protection under an insurance policy.

- b. \$250,000;**

- c. \$500,000; or**

- d. Unlimited.**

The published base loss cost for PIP includes unlimited Medical Expenses. For lower limits of Medical Expenses Coverage, multiply the unlimited Medical Expenses PIP base loss cost by the appropriate factor in the following table:

Limit	Factor
\$ 50,000	0.80
250,000	0.96
500,000	0.99

Table 93.B.5. Medical Expenses Limits Factors

6. Deductibles

For Personal Injury Protection Coverage with deductibles, refer to Rule 98. Deductible Insurance if the applicant or named insured has not rejected Medical Expenses Coverage.

C. Premium Development – Optional PIP Coverage Restrictions

1. Rejection Of PIP Medical Expenses

An applicant or the named insured has the option to reject coverage for PIP Medical Expenses if all of the following apply:

- a.** The applicant or named insured is enrolled in Medicare; and
- b.** The applicant's or named insured's spouse and any resident relative of either have qualified health coverage as defined by Michigan law or have PIP Medical Expenses Coverage under an automobile insurance policy.

To calculate the PIP loss cost after rejecting Medical Expenses Coverage, multiply the \$250,000 Medical Expense PIP loss cost calculated in preceding Paragraph B.5. by the factor in the following table:

Medical Expenses Rejection Factor
0.150

Table 93.C.1.b. Medical Expenses Rejection Factor

2. Exclusion Of PIP Medical Expenses

This option shall be offered on all policies covering individually owned automobiles.

An insurer shall offer the option to exclude medical expenses under Personal Injury Protection Coverage under the \$250,000 limit to the applicant or named insured. The applicant or named insured may elect to have the exclusion apply if any of the following applies:

- a.** The named insured is covered under qualified health coverage that is not Medicare; or
- b.** The named insured's spouse or any resident relative of either the named insured or the spouse is covered under qualified health coverage as defined by Michigan law.

The amount of premium reduction must appear in a conspicuous manner in the Declarations and be shown as a dollar amount of a percentage.

**RULE 93.
 NO-FAULT COVERAGES (Cont'd)**

To calculate the loss cost based on the applicability of qualified health coverage, multiply the \$250,000 Medical Expense loss cost calculated in Paragraph **B.5.** by the appropriate factor in the following table:

Qualified Health Coverage	Factor
If all household members are covered by qualified health coverage and excluded from medical expenses under the policy	0.150
If one or more household member(s), but not all, is (are) covered by qualified health coverage and excluded from medical expenses under the policy	0.700

Table 93.C.2.b. Medical Expenses Limits Factors

3. Coordination Of Benefits – Excess Personal Injury Protection

Use Michigan Coordination Of Personal Injury Protection Endorsement **CA 22 21.**

The option to provide this coverage shall be offered on all policies covering individually owned automobiles. The insurer does not have to provide this coverage on renewal policies when the named insured has rejected the coverage on the policy previously issued by the insurer.

Rate as follows except rates for risks covered by workers' compensation shall not be further adjusted:

- a. If the named insured has other primary coverage providing benefits for allowable medical expenses, except Medicare or Medicaid coverage, multiply the Personal Injury Protection loss cost by the following factor:

Factor
.85

Table 93.C.3.a. Excess Personal Injury Protection Medical Expenses Coverage Factor

- b. If the named insured has other primary coverage providing benefits for work loss, multiply the personal injury protection loss cost by the following factor:

Factor
.80

Table 93.C.3.b. Excess Personal Injury Protection Work Loss Coverage Factor

- c. If the named insured has other primary coverage providing benefits for allowable medical expenses and work loss, multiply the personal injury protection loss cost by the following factor:

Factor
.65

Table 93.C.3.c. Excess Personal Injury Protection Medical Expenses And Work Loss Coverages Factor

Personal injury protection deductibles are not available when excess personal injury protection is provided.

D. Excess Attendant Care

Requirement

An insurer shall offer the applicant or named insured the option to purchase Excess Attendant Care Coverage. A \$10,000 per person/per accident coverage limit is available if the applicant or named insured selects any of the following PIP Medical Expenses Coverage limits: \$50,000, \$250,000 or \$500,000.

Rating

To calculate the additional charge for Excess Attendant Care Coverage, multiply the Medical Expenses PIP loss cost at the desired limit by the appropriate factor in the following table:

Limit	Factor
\$ 50,000	0.058
250,000	0.006
500,000	0.002

Table 93.D. Excess Attendant Care Coverage Factors

Refer to company for Excess Attendant Care Coverage limits other than \$10,000.

E. Broadened Personal Injury Protection Coverage For Named Individuals

An individual who regularly uses the insured auto may be provided personal injury protection by naming the individual as a named insured. Use Named Individuals – Broadened Personal Injury Protection Coverage Endorsement **CA 22 01.** The loss cost for each named individual is shown in state **Table 93.D.(LC).**

**RULE 97.
UNINSURED MOTORISTS INSURANCE**

The following is added to Rule 97.:

A. Application

1. Uninsured (includes underinsured) Motorists Bodily Injury Coverage may be provided. Use Michigan Uninsured Motorists Coverage Endorsement **CA 21 31**. For split limits, also use Split Bodily Injury Uninsured Motorists Coverage Limits Endorsement **CA 21 02**.
2. Increased limits are subject to the maximum liability limits of the policy.
3. Uninsured Motorists Coverage does not provide coverage for property damage.

B. Premium Development

1. Select the appropriate loss costs table as follows:
 - a. For single limits Bodily Injury Coverage, refer to state loss costs Table **97.B.1.a.(LC)**.
 - b. For split limits Bodily Injury Coverage, refer to state loss costs Table **97.B.1.b.(LC)**. The initial limits provided are the minimum financial responsibility limits required in Michigan.
2. Identify the exposures in this jurisdiction for which coverage applies and a premium will be charged. Exposures include owned self-propelled vehicles and sets of registration plates not issued to a specific auto (including dealer and transporter plates).
 - a. Separately determine the premium for each such exposure as follows:
 - (1) Determine the exposure type (Private Passenger Type or Other Than Private Passenger Type). For the purposes of this premium development, Private Passenger Types include exposures which are classified under Section III of this division or are explicitly described as Private Passenger Types elsewhere in this division. Unless instructed otherwise, all other exposures are considered to be Other Than Private Passenger Types, even when rating for other coverages is based on Private Passenger Types.
 - (2) Within the appropriate loss costs table (single or split limits), locate the column corresponding to the exposure type determined in Paragraph **B.2.a.(1)**.
 - (3) From within this column, determine the appropriate loss cost based on the desired limit of coverage.
 - (4) For policies (other than Auto Dealers) issued to individual named insureds, add the amount shown in state loss costs Table **97.B.2.a.(4)(LC)**.

(5) Refer to the rules applicable to the exposure elsewhere in this division for additional premium development instructions, if any.

- b. Primary, secondary, fleet, operator experience and use rating factors do not apply.
- c. Do not charge a premium for the following:
 - (1) Trailers;
 - (2) Hired and non-owned autos;
 - (3) Owned vehicles which have not been assigned registration plates (such as Auto Dealers' inventory); or
 - (4) Registration plates used to transport non-owned autos (such as drive-away contractors rated under Rule 69.).

**RULE 98.
DEDUCTIBLE INSURANCE**

Table 98.A.1. and Paragraph 98.A.2. are replaced by the following:

Deductible Amount	Combined Single Limit		Property Damage Per Accident	
	Other Than Zone-rated	Zone-rated	Other Than Zone-rated	Zone-rated
\$ 250	0.992	0.990	0.993	0.991
500	0.984	0.981	0.986	0.982
1,000	0.970	0.963	0.974	0.966
2,500	0.935	0.917	0.945	0.925
5,000	0.892	0.857	0.916	0.875
10,000	0.835	0.777	0.888	0.818
20,000	0.758	0.687	0.867	0.770
25,000	0.728	0.656	0.863	0.758
50,000	0.616	0.549	0.854	0.731
75,000	0.538	0.480	0.850	0.721
100,000	0.476	0.429	0.849	0.716

Table 98.A.1. Liability Deductible Factors

2. The following example uses hypothetical loss costs and increased limits factors for a zone-rated risk for illustrative purposes only. You should determine from your individual companies what rates/loss costs and increased limits factors are actually in effect.

\$500,000 bodily injury and property damage liability limit with a \$1,000 zone-rated combined single limit deductible.

 - a. Premium for \$100,000 full coverage – \$2,000.
 - b. \$1,000 deductible factor – .963.
 - c. Premium for \$100,000 limit with a \$1,000 deductible – (\$2,000 x .963) = \$1,926.

**RULE 98.
 DEDUCTIBLE INSURANCE (Cont'd)**

- d. Increased limit factor for \$500,000 limit – 1.53.
- e. Increment factor over \$100,000 limit – .53.
- f. Dollar increment amount – (\$2,000 x .53) = \$1,060.00.
- g. Premium for \$500,000 bodily injury and property damage liability with a \$1,000 deductible – (\$1,926.00 plus \$1,060.00) = \$2,986.00.
- h. For deductibles not shown, refer to company.

Paragraphs **B.** and **C.** are replaced by the following:

B. Physical Damage Coverages

For deductibles not shown in the base loss costs, compute the premiums as follows. For stated amount rating, refer to Rule **101.**

1. Private Passenger Types, Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks

a. Computation Procedures

- (1) Determine the base loss cost.
- (2) Use Rule **101.** to determine the factor for the age group of the auto being rated. For exposures rated on a stated amount basis, the Age Group factor is always 1.00.
- (3) Multiply the base loss cost by the Age Group factor.
- (4) Use Rule **101.** to determine the factor for the original cost new of the auto being rated.
- (5) Subtract the applicable factor for the deductible desired from the Original Cost New factor.
- (6) Multiply the result of Paragraph (3) by the result of Paragraph (5). Alternatively, the following equation will give the appropriate loss cost for every desired deductible:
 Base loss cost x Age Group factor from Rule **101.** x (Original Cost New factor – deductible factor from Rule **98.**)
- (7) The rating procedures in Paragraph **a.** do not apply if the deductible factor is greater than the Original Cost New factor.

b. Deductible Factors

(1) Comprehensive

(a) Private Passenger Types

Deductible	Factor
\$ Full	-0.410
50	-0.340
100	-0.300
250	-0.160
500	0.000
1,000	0.160
2,000	0.370
3,000	0.480
5,000	0.650

Table 98.B.1.b.(1)(a) Private Passenger Types Comprehensive Deductible Factors

(b) Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks

Deductible	Factor
\$ Full	-0.420
50	-0.340
100	-0.280
250	-0.130
500	0.000
1,000	0.110
2,000	0.260
3,000	0.310
5,000	0.390

Table 98.B.1.b.(1)(b) Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks Comprehensive Deductible Factors

(2) Collision

(a) Private Passenger Types

Deductible	Factor
\$ 50	-0.130
100	-0.110
200	-0.080
250	-0.070
500	0.000
1,000	0.110
2,000	0.260
3,000	0.390
5,000	0.560

Table 98.B.1.b.(2)(a) Private Passenger Types Collision Deductible Factors

**RULE 98.
DEDUCTIBLE INSURANCE (Cont'd)**

**(b) Trucks, Tractors And Trailers And
All Autos Except Zone-rated Risks**

Deductible	Factor
\$ 50	-0.120
100	-0.110
250	-0.065
500	0.000
1,000	0.120
2,000	0.320
3,000	0.450
5,000	0.570

Table 98.B.1.b.(2)(b) Trucks, Tractors And Trailers And All Autos Except Zone-rated Risks Collision Deductible Factors

2. Zone-rated Risks

a. Computation Procedures

- (1) Determine the base loss cost.
- (2) Use Rule **101.** to determine the factor for the age group of the auto being rated. For exposures rated on a stated amount basis, the Age Group factor is always 1.00.
- (3) Multiply the base loss cost by the Age Group factor.
- (4) Use Rule **101.** to determine the factor for the original cost new of the auto being rated.
- (5) Subtract the applicable factor for the deductible desired from the Original Cost New factor.
- (6) Multiply the result of Paragraph (3) by the result of Paragraph (5). Alternatively, the following equation will give the appropriate loss cost for every desired deductible:

Base loss cost x Age Group factor from Rule **101.** x (Original Cost New factor – deductible factor from Rule **98.**).

- (7) The rating procedures in Paragraph **a.** do not apply if the deductible factor is greater than the Original Cost New factor.

b. Deductible Factors

(1) Comprehensive

Deductible	Factor
\$ Full	-0.420
50	-0.340
100	-0.280
250	-0.130
500	0.000
1,000	0.110
2,000	0.260
3,000	0.310
5,000	0.390

Table 98.B.2.b.(1) Zone-rated Risks Comprehensive Deductible Factors

(2) Collision

Deductible	Factor
\$ 50	-0.120
100	-0.110
250	-0.065
500	0.000
1,000	0.120
2,000	0.320
3,000	0.450
5,000	0.570

Table 98.B.2.b.(2) Zone-rated Risks Collision Deductible Factors

3. Limited And Broadened Collision

For Deductibles, refer to Rule **101.**

**RULE 98.
 DEDUCTIBLE INSURANCE (Cont'd)**

**4. Auto Dealers And Garagekeepers Insurance
 Other Than Collision**

Multiply the other than collision coverage premium by the following selected deductible options:

Coverage	Per Auto And Per Occurrence Deductible Options		
	\$100/500	\$250/1,000	\$500/2,500
Fire Only	N/A	N/A	N/A
Fire and Theft Only	1.00	0.90	0.75
Limited Specified Causes of Loss	1.00	0.90	0.75
Specified Causes of Loss	1.00	0.90	0.75
Comprehensive	1.00	0.90	0.75

Table 98.B.4. Auto Dealers And Garagekeepers Insurance Other Than Collision Deductible Factors

C. Personal Injury Protection

1. A policy insuring an individually owned auto may provide a personal injury protection deductible, per accident, to apply to the named insured and resident relatives as follows:

Deductible Amount	Factor Applied To Personal Injury Protection Base Premium
\$ 100	.90
200	.85
300	.80

Table 98.C.1. Personal Injury Protection Deductible Factors

2. A policy may provide a property protection insurance deductible, per accident, as follows:

Deductible Amount	Factor Applied For Reduction From Protection Base Premium
\$ 25	.11
50	.19
75	.24
100	.29
200	.38
250	.42
300	.44
400	.47
500	.49
750	.49
1,000	.50

Table 98.C.2. Property Protection Insurance Deductible Factors

3. Refer to company for factors for higher deductibles.

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**RULE 100.
INCREASED LIABILITY LIMITS**

Paragraph **B.** is replaced by the following:

Combined Single Limit Of Liability (000's)	1. Light And Medium Trucks	2. Heavy Trucks And Truck- tractors	3. Extra- heavy Trucks And Truck- tractors	4. Trucks, Tractors And Trailers Zone-rated	5. All Other Risks
110	1.04	1.04	1.04	1.03	1.03
125	1.09	1.09	1.10	1.07	1.08
150	1.16	1.17	1.18	1.12	1.15
200	1.30	1.32	1.33	1.22	1.27
250	1.41	1.44	1.46	1.30	1.38
300	1.51	1.55	1.56	1.37	1.47
350	1.60	1.65	1.66	1.43	1.56
400	1.67	1.74	1.74	1.49	1.63
500	1.81	1.90	1.88	1.59	1.76
510	1.82	1.91	1.89	1.60	1.78
600	1.92	2.02	1.99	1.67	1.87
750	2.07	2.18	2.13	1.78	2.01
1,000	2.25	2.39	2.32	1.92	2.18
1,500	2.50	2.69	2.61	2.11	2.42
2,000	2.69	2.92	2.83	2.25	2.60
2,500	2.84	3.12	3.02	2.36	2.75
3,000	2.97	3.29	3.18	2.46	2.87
5,000	3.36	3.83	3.73	2.75	3.26
7,500	3.74	4.38	4.29	3.02	3.64
10,000	4.05	4.85	4.79	3.25	3.95

Table 100.B. Increased Liability Limits

**RULE 101.
 PHYSICAL DAMAGE COVERAGE RATING
 PROCEDURES**

Paragraph A.4. is replaced by the following:

A. Actual Cash Value Premiums

4. Premium Computation

a. Base Premium Development

The physical damage base loss costs do not include the application of the following factors necessary to reflect the applicable original cost new and age group. Thus, in order to develop the base premium:

- Multiply the base loss cost for the desired Physical Damage Coverage by the appropriate Original Cost New factor, then
- Multiply the result by the appropriate Age Group factor.

(1) Trucks, Tractors And Trailers And Public Autos

(a) Original Cost New Factors

Price Range	Comprehensive And Specified Causes Of Loss	Collision
\$ 0 – 4500	0.50	0.36
4501 – 6000	0.65	0.40
6001 – 8000	0.75	0.45
8001 – 10000	0.85	0.70
10001 – 15000	0.90	0.88
15001 – 20000	1.00	1.00
20001 – 25000	1.07	1.06
25001 – 40000	1.30	1.35
40001 – 65000	1.55	1.90
65001 – 90000	1.70	2.60
Each Additional \$1000 over \$90000*	0.007	0.025
* For autos with an original cost new in excess of \$90000: (i) Subtract 90000 from the original cost new. (ii) Divide the result by 1000. (iii) Multiply by the appropriate "Each Additional \$1000 over \$90000" factor. (iv) Add the result to the appropriate 65001 – 90000 factor.		

Table 101.A.4.a.(1)(a) Trucks, Tractors And Trailers And Public Autos Original Cost New Factors

(b) Age Group Factors

Age Group	Comprehensive And Specified Causes Of Loss	Collision
Current Model Year	1.00	1.00
1st Preceding Model Year	1.00	1.00
2nd Preceding Model Year	1.00	1.00
3rd Preceding Model Year	0.95	0.95
4th Preceding Model Year	0.90	0.90
5th Preceding Model Year	0.80	0.80
6th Preceding Model Year	0.80	0.75
7th Preceding Model Year	0.75	0.65
8th Preceding Model Year	0.75	0.60
9th Preceding Model Year	0.70	0.55
10th Preceding Model Year	0.65	0.50
All Other (11th Preceding Model Year or More)	0.50	0.40

Table 101.A.4.a.(1)(b) Trucks, Tractors And Trailers And Public Autos Age Group Factors

(2) Private Passenger Types

(a) Original Cost New Factors

Price Range	Comprehensive	Collision
\$ 0 – 4500	0.50	0.50
4501 – 6000	0.60	0.60
6001 – 8000	0.70	0.70
8001 – 10000	0.80	0.90
10001 – 15000	0.90	0.95
15001 – 20000	1.00	1.00
20001 – 25000	1.12	1.05
25001 – 40000	1.25	1.10
40001 – 65000	1.60	1.25
65001 – 90000	2.20	1.70
Each Additional \$1000 over \$90000*	0.020	0.01
* For autos with an original cost new in excess of \$90000: (i) Subtract 90000 from the original cost new. (ii) Divide the result by 1000. (iii) Multiply by the appropriate "Each Additional \$1000 over \$90000" factor. (iv) Add the result to the appropriate 65001 – 90000 factor.		

Table 101.A.4.a.(2)(a) Private Passenger Types Original Cost New Factors

**RULE 101.
PHYSICAL DAMAGE COVERAGE RATING
PROCEDURES (Cont'd)**

(b) Age Group Factors

Age Group	Comprehensive	Collision
Current Model Year	1.00	1.00
1st Preceding Model Year	1.00	0.95
2nd Preceding Model Year	1.00	0.95
3rd Preceding Model Year	0.95	0.85
4th Preceding Model Year	0.90	0.80
5th Preceding Model Year	0.85	0.75
6th Preceding Model Year	0.80	0.70
7th Preceding Model Year	0.75	0.60
8th Preceding Model Year	0.65	0.55
9th Preceding Model Year	0.60	0.50
10th Preceding Model Year	0.55	0.45
All Other (11th Preceding Model Year or More)	0.45	0.35

Table 101.A.4.a.(2)(b) Private Passenger Types Age Group Factors

(3) Auto Dealers

For auto dealers risks, refer to Rule 49. for rating procedures.

(4) Zone-rated Risks

(a) Original Cost New Factors

Price Range	Comprehensive And Specified Causes Of Loss	Collision
\$ 0 – 4500	0.50	0.36
4501 – 6000	0.65	0.40
6001 – 8000	0.75	0.45
8001 – 10000	0.85	0.70
10001 – 15000	0.90	0.88
15001 – 20000	1.00	1.00
20001 – 25000	1.07	1.06
25001 – 40000	1.30	1.35
40001 – 65000	1.55	1.90
65001 – 90000	1.70	2.60
Each Additional \$1000 over \$90000*	0.007	0.025

* For autos with an original cost new in excess of \$90000:
(i) Subtract 90000 from the original cost new.
(ii) Divide the result by 1000.
(iii) Multiply by the appropriate "Each Additional \$1000 over \$90000" factor.
(iv) Add the result to the appropriate 65001 – 90000 factor.

Table 101.A.4.a.(4)(a) Zone-rated Risks Original Cost New Factors

(b) Age Group Factors

Age Group	Comprehensive And Specified Causes Of Loss	Collision
Current Model Year	1.00	1.00
1st Preceding Model Year	1.00	1.00
2nd Preceding Model Year	1.00	1.00
3rd Preceding Model Year	0.95	0.95
4th Preceding Model Year	0.90	0.90
5th Preceding Model Year	0.80	0.80
6th Preceding Model Year	0.80	0.75
7th Preceding Model Year	0.75	0.65
8th Preceding Model Year	0.75	0.60
9th Preceding Model Year	0.70	0.55
10th Preceding Model Year	0.65	0.50
All Other (11th Preceding Model Year or More)	0.50	0.40

Table 101.A.4.a.(4)(b) Zone-rated Risks Age Group Factors

b. Deductibles

For deductibles not shown in the state company rates/ISO loss costs, refer to Rule 98.

Paragraph B.2. is replaced by the following:

B. Stated Amount Basis

2. Base Premium Development

- a. For those exposures which may be written on a stated amount basis, determine the base premium by multiplying the base loss cost for the desired Physical Damage Coverage by the Original Cost New factor which corresponds with the desired stated amount limit in Table 101.A.4.a.(1)(a) for trucks, tractors and trailers and public autos, or Table 101.A.4.a.(2)(a) for private passenger types, or Table 101.A.4.a.(4)(a) for zone-rated risks.
- b. Age factors do not apply to exposures rated on stated amount basis.
- c. For deductibles not shown in the state company rates/ISO loss costs, refer to Rule 98.
- d. Refer to the rules in this division applicable to the exposure being rated for additional Physical Damage Coverage rating procedures and factors.

**RULE 101.
PHYSICAL DAMAGE COVERAGE RATING
PROCEDURES (Cont'd)**

The following is added to Rule 101.:

C. Broadened Collision Coverage – Private Passenger Types, Trucks, Tractors, Trailers And Public Autos

1. Determine the base loss cost.
2. Determine the factor for the age group of the auto being rated. For exposures rated on a stated amount basis, the age group factor is always 1.00.
3. Multiply the base loss cost by the age group factor.
4. Determine the factor for the original cost new of the auto being rated.
5. Subtract the applicable factor for the deductible desired in the following table from the original cost new factor.

Deductible	Private Passenger Types	Trucks, Tractors, Trailers And Public Autos
\$ 50	-0.139	-0.125
100	-0.128	-0.119
200	-0.112	*
250	-0.106	-0.094
500	-0.067	-0.059
1000	-0.007	0.008
2000	0.076	0.118
3000	0.147	0.189
5000	0.241	0.255
* Not Offered		

Table 101.C.5. Broadened Collision Factors

6. Multiply the result of Paragraph 3. by the result of Paragraph 5.
Alternatively, the following equation will give the appropriate loss cost for every desired deductible:
Base loss cost x Age factor x (Original Cost New factor – Broadened Collision deductible factor).
7. The rating procedures in Paragraph C. do not apply if the deductible factor is greater than the Original Cost New factor.

D. Limited Collision Coverage – Private Passenger Types, Trucks, Tractors, Trailers And Public Autos

1. Full Coverage
 - a. Determine the base loss cost.

- b. Determine the factor for the age group of the auto being rated. For exposures rated on a stated amount basis, the age group factor is always 1.00.
- c. Multiply the base loss cost by the age group factor.
- d. Determine the factor for the original cost new of the auto being rated.
- e. Multiply the result by the original cost new factor.
- f. Multiply the result by the applicable factor in the following table:

Limited Collision – Full Coverage Factors	
Private Passenger Types	Trucks, Tractors, Trailers And Public Autos
0.52	0.51

Table 101.D.1.f. Limited Collision – Full Coverage Factors

2. Other Than Full Coverage

- a. Determine the base loss cost.
- b. Determine the factor for the age group of the auto being rated. For exposures rated on a stated amount basis, the age group factor is always 1.00.
- c. Multiply the base loss cost by the age group factor.
- d. Determine the factor for the original cost new of the auto being rated.
- e. Subtract the applicable factor for the deductible desired in the following table from the original cost new factor.

Limited Collision Factors		
Deductible	Private Passenger Types	Trucks, Tractors, Trailers And Public Autos
\$ 100	-0.110	-0.110
250	-0.070	-0.065
500	0.000	0.000
1,000	0.110	0.120
2,000	0.260	0.320
3,000	0.390	0.450
5,000	0.560	0.570

Table 101.D.2.e. Limited Collision Factors

**RULE 101.
PHYSICAL DAMAGE COVERAGE RATING
PROCEDURES (Cont'd)**

- f. Multiply the result of Paragraph c. by the result of Paragraph e.

Alternatively, the following equation will give the appropriate loss cost for every desired deductible:

Base loss cost x Age factor x (Original Cost New factor – Limited Collision deductible factor).

- g. Multiply the result in Paragraph D.2.e. by the following factor:

Factor
.45

Table 101.D.2.g. Limited Collision – Other Than Full Coverage Factor

- h. The rating procedures in Paragraph D.2. do not apply if the deductible factor is greater than the original cost new factor.

**RULE 102.
SUSPENSION**

Paragraph D. is replaced by the following:

- D. For autos subject to No-fault Law, Comprehensive Coverage may not be suspended.

**RULE 114.
VEHICLE TELEMATICS RATING**

Paragraph A. does not apply.

**RULE 116.
TRANSPORTATION NETWORK SERVICES AUTOS AND
ON-DEMAND DELIVERY SERVICES AUTOS**

Paragraph B. is replaced by the following:

B. Exclusionary Endorsements

1. Coverage for accidents or losses arising out of the use of an auto as a public or livery conveyance for passengers, including transportation network services autos used exclusively to provide prearranged transportation services for compensation through an online-enabled application or digital network which connects passengers with drivers, may be excluded by attaching Michigan Public Or Livery Passenger Conveyance And Transportation Network Services Exclusion Endorsement CA 05 11.

2. Coverage for accidents or losses arising out of the use of an auto:

a. As a public or livery conveyance for passengers, including transportation network services autos used exclusively to provide prearranged transportation services for compensation through an online-enabled application or digital network which connects passengers with drivers; and

b. To provide delivery services, including courier services, for compensation through an online-enabled application or digital network which connects customers with drivers using their vehicles to provide such prearranged services,

may be excluded by attaching Michigan Public Or Livery Passenger Conveyance, Transportation Network And On-demand Delivery Services Exclusion Endorsement CA 23 77.

The introductory text in Paragraph C. is replaced by the following:

C. Premium Computation – Transportation Network Services Autos

For vehicles that would otherwise be rated as a private passenger type described in Rule 31. or light trucks described in Rule 23. when neither Endorsement CA 05 11 nor Endorsement CA 23 77 has been attached to the policy, use the following rating procedures. For public autos that also operate as transportation network services autos, refer to Rule 38. For all other vehicles, refer to company.