

	Policy Form Criteria Revised 07/28/09	Statute, Admin. Rule, Order, Bulletin, etc.
1	Each form must display the authorized name of the insurer.	<u>500.454</u> <u>500.2005</u> <u>500.2236(1)</u>
2	Insurer must identify a readability score for each form or entire set of policy documents. The readability score of the form/set of policy documents cannot be less than 45. Application forms, declaration pages, cancellation/termination/reinstatement notices, and forms required by statute do not have to meet readability standards.	<u>500.2236(3)</u>
3	Each form may not contain ambiguous, misleading, unreasonable, or deceptive language.	<u>500.2236(5)</u>
4	Forms should not include any provisions that contain discretionary clauses.	<u>R 500.2201-2202</u>
5	Policy forms should not contain any provisions that provide an insured less than 3 years from the time of the occurrence to file a UM claim.	<u>Order 05-060-M</u>
6	Policy forms should not contain any provisions that provide an insured less than 3 years from the time of the occurrence to file a UIM claim.	<u>Order 06-008-M</u>
7	Policy forms should not contain any provisions that limit the insured to less than 6 years from the time of the occurrence to file a lawsuit against the insurer. However MCL 500.3145 allows the insurer to have a provision for PIP and PPI coverages that requires action against the company to be commenced no later than one year after the accident. For PIP action could be commenced within one year after the most recent allowable expense, work loss, or survivor's loss has been incurred if written notice of injury has been given to the insurer within 1 year after the accident.	<u>R 500.2211-2212</u>
8	Policy forms should not include non-compliant day specific vehicle inspection language. If coverage requires inspection within a particular timeframe the policy must contain a notice that complies with MCL 500.3008 and the requirement cannot apply to any vehicle that is not in the insureds possession or control.	<u>Order 08-008-M</u> <u>Order 08-009-M</u>
9	Policy forms should not contain a PIP deductible provision or charge (for not having other health or accident coverage) that is greater than \$500.	<u>500.3109</u> <u>500.3109a</u>
10	Policy forms must include PIP coverage that allows the insured to coordinate with other health and accident coverage.	<u>500.3109a</u>

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11	Policy forms must include PIP coverage that allows the policyholder to opt out of receiving work loss coverage when he/she is 60 years of age or older with no expectation of receiving work loss coverage.	<u>500.3107(2)</u>
12	Policy forms should not include language that for any reason reduces the residual liability and/or UM/UIM coverage limits of liability below the amount actually purchased by the policyholder.	<u>500.2236(5)</u>
13	Policy forms should not contain language that attempts to offset or reduce non-economic (liability, UM/UIM) coverage benefits by payments made for economic (PIP, workers comp, other health and accident coverage payments) coverage benefits and vice versa.	<u>500.2236(5)</u>
14	Policy forms should not include any provisions that exclude coverage based on the policyholder's occupation, sex, marital status, race, territory, or similar characteristics.	<u>500.2027</u>
15	Policy forms should identify that notice to the agent is notice to the insurer and also provide tolling for instances when it is not reasonably possible for the policyholder to notify the insurer of a claim within the time required in the policy.	<u>500.3008</u>
16	Policy forms should not contain any language that excludes coverage due to policyholder's bankruptcy.	<u>500.3006</u>
17	Policy forms should not include any provisions that provide payment on less than a proportionate share of the limits of liability when more than one policy applies to the injury or damage caused by the occurrence. Excess payment provisions are unacceptable on vehicle covered by the policy.	<u>500.2236(5)</u>
18	Arbitration/Appraisal provisions should require that the insurer hold proceedings in the county where the policyholder resides. Also, provisions need to allow the policyholder/insured to select his/her own arbiter/appraiser and should provide the policyholder/insured equal access to selecting independent arbiters/appraisers/umpires to hear the dispute. Also, provisions should allow the decisions rendered by the arbiters/appraisers to meet the same standards that would be adhered to by a local court of competent jurisdiction. In addition, provisions should identify that arbitration is not an option for PIP and PPI claim disputes.	<u>500.2236(5)</u>
19	Policy forms should not contain any provisions prohibiting policyholder from filing lawsuits against the insurer, except when the policy requires the policyholder to use the insurer's arbitration/appraisal process.	<u>500.2254</u>

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20	Provisions that exclude coverage based on the type of personal auto (antique, motorhome, expensive car, etc.) or that exclude coverage based on MCL 500.2103 and/or MCL 500.2118 provisions.	500.2103 <u>500.2118(1)</u>
21	Insurer must file Termination Notices that meet statutory requirements.	500.3037 500.2113 <u>500.2123</u> <u>500.3020</u> R 500.1508 <u>500.3201-3262</u>
22	Insurer must include required provisions in Named Driver Exclusion endorsement.	<u>500.3009(2)</u> Bulletin 79-11
23	Cancellation refunds and/or minimum retention of premium provisions must be in compliance with MCL 500.3020. For each six months of policy term, minimum retention of premium should not be greater than \$25.	<u>500.3020(2)</u>
24	Insurer must file application forms that contain PIP coordination of coverage options with other health and accident insurance and also must contain language allowing the policyholder to opt out of receiving work loss coverage when he/she is 60 years of age or older with no expectation of receiving work loss coverage.	<u>500.2236</u> <u>500.3109a</u>
25	Insurer must file no-fault certificate of insurance.	<u>500.2236</u> Bulletin 81-04
26	Insurer must file a Notice of Intention to Reside Form. This criteria is not applicable to MCL 500.2129 exempt companies.	<u>500.2103(1)</u>
27	Insurer must file a Notice of Collision Options and Status Form.	<u>500.3037(5)</u>
28	Insurer must file a Notice of Rating Information Form for all non-group rated programs. This criteria is not applicable to MCL 500.2129 exempt companies.	<u>500.2112</u>
29	For collision and comp coverage, policy forms should not include any provisions that require the policyholder(s) to utilize a repair facility mandated by the insurer.	<u>500.2110b</u>
30	Policy forms should not include any provisions that reduce defense costs by liability limits paid or expected to be paid or liability limits reduced by defense costs paid or expected to be paid.	<u>500.2236(5)</u> <u>500.3009(1)</u>