



DANIEL R. JUDSON
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

225 Franklin Street Boston, Massachusetts 02110

www.commauto.com

617-338-4000

ADDITIONAL INFORMATION

TO MEMBERS OF THE ACTUARIAL COMMITTEE

FOR THE MEETING OF:

Monday, January 9, 2012 at 10:00 a.m.

AC

11.03 Quota Share Credits for Policies Effective April 1, 2012 and Later

Attached are credit indications incorporating the methodology described in the attachment to Commissioner Murphy's letter dated December 19, 2011. (Docket #AC11.03, Exhibit #16) Staff will review the analysis at the January 9, 2012 meeting.

Also attached are draft Rule amendments which address the Division's concerns and are consistent with its suggestions. (Docket #AC11.03, Exhibit #17) The revised amendments to Rule 21.D. clarify the Committee's proposal to phase out the prohibition on non-renewal of Clean-in-Three Risks. As directed by the Commissioner, the proposed amendments to Rule 29.E.2. set forth specific criteria for determining credit eligibility and a fixed scale of credit values based on residual market share. Further, a table of credit factors for policies with effective dates of April 1, 2012 and subsequent has been added to identify indicated credit factors using the prescribed methodology.

The Committee should be prepared to review these voluntary "keep out" credit indications as well as the draft Rule amendments and prepare a recommendation for Governing Committee consideration.

NATALIE HUBLEY
Vice President – Financial Services & Treasurer

Attachments
Boston, Massachusetts
January 5, 2012

Commonwealth Automobile Reinsurers

4/1/2012 Credit Offer

Exhibit Descriptions by Page

<u>Page</u>	<u>Description</u>
2	Rate Class Summary
3	Territory Summary
4	Average Premium Comparison By Residual Market Share Range - Quota Share vs. Credit Adjusted
5-14	Indicated Market Share Group Results By Operator Class

Commonwealth Automobile Reinsurers - 4/1/2012 Credit Offer
4/1/2012 Credit Offer
Summary by Rate Class

4/1/2011 Credit Factors				4/1/12 DOI Residual Market Share Group			
Rate Class	Total Mkt Exposures	Credit Eligible Exposures	Potential Credits	Credit Eligible Exposures	%Δ	Potential Credits	%Δ
10	3,044,937	295,903	324,471,761	313,743	6.0%	481,452,552	48.4%
15	663,674	6,828	3,919,734	6,828	0.0%	8,940,243	128.1%
17	147,059	82,110	111,778,222	82,110	0.0%	160,795,138	43.9%
18	49,993	4,001	4,847,959	4,001	0.0%	7,606,403	56.9%
20	25,112	25,020	121,076,670	25,020	0.0%	110,323,713	-8.9%
21	11,388	6,892	11,258,714	6,786	-1.5%	14,951,238	32.8%
25	74,712	13,215	26,273,333	13,215	0.0%	41,404,202	57.6%
26	64,132	339	423,436	397	17.0%	922,613	117.9%
30	61,384	689	669,496	1,330	93.1%	2,103,859	214.2%
M/M	157,166	17,878	2,367,124	17,878	0.0%	4,261,924	80.0%
Total	4,299,558	452,874	607,086,449	471,307	4.1%	832,761,884	37.2%
% of Total Mkt. Exp.		10.5%		11.0%			
Estimated Credits Used Credit Utilization			524,485,734 86.4%	Estimated Credits Used Credit Utilization		733,503,101 88.1%	
				Residual Mark Share Group	Keep Out Credits		
				0	0.00		
				1	1.00		
				2	1.00		
				3	1.00		
				4	1.25		
				5	1.50		
				6	1.75		
				7	2.00		
				8	2.25		
				9	2.50		

Commonwealth Automobile Reinsurers - 4/1/2012 Credit Offer
4/1/2012 Credit Offer
Summary by Territory

4/1/2011 Credit Factors

4/1/12 DOI Residual Market Share Group

<u>Territory</u>	<u>Total Mkt Exposures</u>	<u>Credit Eligible Exposures</u>	<u>Potential Credits</u>	<u>Credit Eligible Exposures</u>	<u>%Δ</u>	<u>Potential Credit Prem</u>	<u>%Δ</u>
1	174,366	559	845,972	559	0.0%	1,057,466	25.0%
2	233,772	801	1,335,420	801	0.0%	1,669,274	25.0%
3	498,580	1,798	3,161,836	1,798	0.0%	3,952,295	25.0%
4	318,466	1,077	2,062,282	1,077	0.0%	2,577,853	25.0%
5	484,342	20,110	13,639,117	20,110	0.0%	29,711,126	117.8%
6	327,432	1,189	2,518,064	1,189	0.0%	3,147,580	25.0%
7	333,804	13,506	11,430,833	13,506	0.0%	24,254,466	112.2%
8	190,056	7,167	6,039,434	6,670	-6.9%	12,207,890	102.1%
9	189,187	10,995	14,898,767	10,995	0.0%	23,989,573	61.0%
10	90,773	4,014	4,004,310	4,014	0.0%	8,210,409	105.0%
11	70,230	3,216	5,494,793	3,216	0.0%	7,979,231	45.2%
12	186,649	9,145	14,566,810	9,145	0.0%	21,465,962	47.4%
13	200,648	18,693	25,746,215	18,693	0.0%	33,561,826	30.4%
14	68,886	5,738	10,032,736	6,129	6.8%	12,956,189	29.1%
15	24,549	2,316	5,154,209	20,156	770.4%	31,259,438	506.5%
16	11,913	10,794	15,895,223	10,851	0.5%	18,992,419	19.5%
17	16,620	523	1,057,447	523	0.0%	1,340,340	26.8%
18	14,849	12,867	8,985,719	13,032	1.3%	19,875,661	121.2%
19	15,115	1,039	2,121,639	1,039	0.0%	2,147,339	1.2%
20	16,361	14,317	18,127,577	14,317	0.0%	22,397,699	23.6%
21	45,725	45,496	85,948,419	45,496	0.0%	95,133,427	10.7%
22	12,957	12,880	26,281,215	12,880	0.0%	28,257,727	7.5%
23	41,689	2,546	7,687,550	2,546	0.0%	7,183,096	-6.6%
24	23,184	1,226	2,639,829	1,226	0.0%	3,218,023	21.9%
25	15,225	403	1,095,891	403	0.0%	1,207,656	10.2%
26	19,793	17,491	12,292,628	17,491	0.0%	26,862,596	118.5%
27	393,990	1,229	1,756,706	1,229	0.0%	2,195,883	25.0%
40	19,710	16,442	21,813,383	16,442	0.0%	24,378,582	11.8%
41	55,365	48,891	32,326,014	48,891	0.0%	64,418,662	99.3%
42	70,306	59,493	100,448,882	59,493	0.0%	113,531,643	13.0%
43	44,255	38,118	49,202,755	38,118	0.0%	62,824,907	27.7%
44	29,666	27,220	28,876,896	27,220	0.0%	37,121,667	28.6%
45	48,482	41,574	69,597,878	42,049	1.1%	83,673,980	20.2%
99	12,616	0	0	0	0.0%	0	0.0%
Total	4,299,558	452,874	607,086,449	471,307	4.1%	832,761,884	37.2%
% of Total Mkt. Exp.		10.5%		11.0%			

<u>Residual Mark Share Group</u>	<u>Keep Out Credits</u>
0	0.00
1	1.00
2	1.00
3	1.00
4	1.25
5	1.50
6	1.75
7	2.00
8	2.25
9	2.50

**Commonwealth Automobile Reinsurers
4/1/2012 Credit Offer
Average Premium Comparison By Market Share Range
Quota Share Premium vs. Credit Adjusted Premium**

Residual Market Share Range	2011 Credit Eligible Exposures	4/1/2011 Quota Share Average Premium	Incentive Credit Value	4/1/11 Credit Adjusted Quota Share Average Premium
1 -[5.0%,8.0%)	151,750	\$1,492.53	1.00	\$1,492.53
2 -[8.0%,11.0%)	227,291	\$1,660.31	1.00	\$1,660.31
3 -[11.0%,17.0%)	47,932	\$2,040.01	1.00	\$2,040.01
4 -[17.0%,23.0%)	16,937	\$2,888.69	1.25	\$3,610.86
5 -[23.0%,29.0%)	3,631	\$3,127.11	1.50	\$4,690.67
6 -[29.0%,35.0%)	1,881	\$4,083.75	1.75	\$7,146.56
7 -[35.0%,41.0%)	3,499	\$4,425.57	2.00	\$8,851.14
8 -[41.0%,47.0%)	292	\$3,558.76	2.25	\$8,007.22
9 -[47.0%,100.0%)	216	\$3,544.21	2.50	\$8,860.53
Total Credit Eligible	453,429	\$1,735.44		\$1,827.19

Credit Adjusted Average Premium / Quota Share Average Premium 1.053

Notes:

- 1 Excludes Motorcycles/Miscellaneous
- 2 Includes Total Market Quota Share Premium (with adjustment for merit rating factor)

Commonwealth Automobile Reinsurers - 4/1/2012 Credit Offer
Indicated Private Passenger Auto Residual Market Share Group - Operator Class 10

Terr	Residual Market Share			Indicated Mkt Share Range			Selected Range*	2012 Credits	2011 Credits	Change	Residual Mark Shr Group	Keep Out Credits	
	2010	2011	2012	2010	2011	2012							
1	0.85%	0.91%	1.21%	0	0	0	0	0.00	-	-	0	0.00	
2	0.98%	0.98%	1.21%	0	0	0	0	0.00	-	-	1	1.00	
3	1.23%	1.27%	1.56%	0	0	0	0	0.00	-	-	2	1.00	
4	1.12%	1.16%	1.34%	0	0	0	0	0.00	-	-	3	1.00	
5	1.71%	1.68%	1.99%	0	0	0	0	0.00	-	-	4	1.25	
6	1.62%	1.70%	2.02%	0	0	0	0	0.00	-	-	5	1.50	
7	2.18%	2.27%	2.74%	0	0	0	0	0.00	-	-	6	1.75	
8	1.97%	2.08%	2.39%	0	0	0	0	0.00	-	-	7	2.00	
9	3.14%	3.31%	3.88%	0	0	0	0	0.00	-	-	8	2.25	
10	2.63%	2.77%	3.10%	0	0	0	0	0.00	-	-	9	2.50	
11	2.10%	2.13%	2.44%	0	0	0	0	0.00	-	-			
12	2.47%	2.63%	2.94%	0	0	0	0	0.00	-	-			
13	4.47%	4.39%	4.94%	0	0	0	0	0.00	-	-			
14	4.29%	4.29%	4.86%	0	0	0	0	0.00	-	-			
15	5.04%	4.89%	5.78%	1	0	1	1	1.00	-	1.00			
16	10.13%	9.66%	9.10%	2	2	2	2	1.00	0.75	0.25			
17	2.12%	2.42%	2.38%	0	0	0	0	0.00	-	-			
18	6.02%	6.73%	6.60%	1	1	1	1	1.00	0.35	0.65			
19	3.87%	4.41%	4.67%	0	0	0	0	0.00	-	-			
20	6.90%	8.11%	8.22%	1	2	2	2	1.00	0.75	0.25	<u>Available Credit Prem:</u>	<u>Credit Eligible Exp:</u>	
21	9.24%	10.27%	10.21%	2	2	2	2	1.00	0.85	0.15			
22	11.76%	11.59%	12.49%	3	3	3	3	1.00	0.85	0.15	2012	481,452,552	313,743
23	3.69%	4.10%	4.40%	0	0	0	0	0.00	-	-			
24	3.04%	3.21%	3.40%	0	0	0	0	0.00	-	-	2011	324,471,761	295,903
25	2.63%	2.75%	2.81%	0	0	0	0	0.00	-	-			
26	5.01%	5.59%	6.00%	1	1	1	1	1.00	0.35	0.65	<u>Difference:</u>	<u>Difference:</u>	
27	0.75%	0.76%	0.95%	0	0	0	0	0.00	-	-			
40	11.28%	13.30%	13.34%	3	3	3	3	1.00	0.85	0.15	156,980,791	17,840	
41	6.91%	7.07%	7.31%	1	1	1	1	1.00	0.35	0.65			
42	10.84%	11.66%	9.77%	2	3	2	2	1.00	0.85	0.15	<u>Percent Change:</u>	<u>Percent Change:</u>	
43	9.09%	8.67%	8.34%	2	2	2	2	1.00	0.75	0.25			
44	9.36%	8.38%	9.18%	2	2	2	2	1.00	0.75	0.25	48.4%	6.0%	
45	8.24%	8.19%	9.19%	2	2	2	2	1.00	0.75	0.25			
99	0.43%	0.88%	0.69%	0	0	0	0	0.00	-	-			
Tot	2.51%	2.62%	2.92%										

*Selection Criteria

- If the indicated residual market share group equal in all three years, select that residual market share group.
- If two of the three years indicate the same residual market share group, select that residual market share group.
- If all three years indicate a different residual market share group, select the median residual market share group.

**Commonwealth Automobile Reinsurers - 4/1/2012 Credit Offer
Indicated Private Passenger Auto Residual Market Share Group - Operator Class 15**

Terr	Residual Market Share			Indicated Mkt Share Range			Selected Range*	2012 Credits	2011 Credits	Change	Residual Mark Shr Group	Keep Out Credits	
	2010	2011	2012	2010	2011	2012							
1	0.28%	0.19%	0.26%	0	0	0	0	0.00	-	-	0	0.00	
2	0.17%	0.21%	0.25%	0	0	0	0	0.00	-	-	1	1.00	
3	0.25%	0.22%	0.31%	0	0	0	0	0.00	-	-	2	1.00	
4	0.28%	0.23%	0.27%	0	0	0	0	0.00	-	-	3	1.00	
5	0.38%	0.28%	0.35%	0	0	0	0	0.00	-	-	4	1.25	
6	0.54%	0.41%	0.50%	0	0	0	0	0.00	-	-	5	1.50	
7	0.41%	0.43%	0.47%	0	0	0	0	0.00	-	-	6	1.75	
8	0.59%	0.49%	0.60%	0	0	0	0	0.00	-	-	7	2.00	
9	0.51%	0.54%	0.72%	0	0	0	0	0.00	-	-	8	2.25	
10	0.52%	0.40%	0.55%	0	0	0	0	0.00	-	-	9	2.50	
11	1.35%	0.90%	1.08%	0	0	0	0	0.00	-	-			
12	0.56%	0.54%	0.81%	0	0	0	0	0.00	-	-			
13	1.43%	0.99%	1.25%	0	0	0	0	0.00	-	-			
14	1.11%	1.02%	1.26%	0	0	0	0	0.00	-	-			
15	0.79%	0.79%	1.38%	0	0	0	0	0.00	-	-			
16	2.91%	2.24%	3.17%	0	0	0	0	0.00	-	-			
17	0.59%	0.66%	0.86%	0	0	0	0	0.00	-	-			
18	1.70%	2.71%	3.12%	0	0	0	0	0.00	-	-			
19	2.99%	2.74%	3.04%	0	0	0	0	0.00	-	-			
20	2.68%	2.40%	2.86%	0	0	0	0	0.00	-	-			
21	5.32%	5.67%	6.45%	1	1	1	1	1.00	0.35	0.65	<u>Available Credit Prem:</u>	<u>Credit Eligible Exp:</u>	
22	8.26%	8.52%	8.32%	2	2	2	2	1.00	0.75	0.25	2012	8,940,243	6,828
23	2.94%	2.93%	3.17%	0	0	0	0	0.00	-	-			
24	3.39%	2.97%	3.72%	0	0	0	0	0.00	-	-	2011	3,919,734	6,828
25	1.44%	1.07%	1.54%	0	0	0	0	0.00	-	-			
26	1.64%	1.10%	1.37%	0	0	0	0	0.00	-	-	<u>Difference:</u>	<u>Difference:</u>	
27	0.16%	0.15%	0.20%	0	0	0	0	0.00	-	-			
40	2.76%	3.18%	2.86%	0	0	0	0	0.00	-	-	5,020,509	-	
41	1.75%	1.36%	1.72%	0	0	0	0	0.00	-	-			
42	3.96%	3.43%	3.18%	0	0	0	0	0.00	-	-	<u>Percent Change:</u>	<u>Percent Change:</u>	
43	2.18%	1.18%	1.45%	0	0	0	0	0.00	-	-			
44	2.21%	1.97%	2.76%	0	0	0	0	0.00	-	-	128.1%	0.0%	
45	2.43%	2.25%	2.87%	0	0	0	0	0.00	-	-			
99	0.28%	0.13%	0.64%	0	0	0	0	0.00	-	-			
Tot	0.67%	0.57%	0.68%										

*Selection Criteria

- If the indicated residual market share group equal in all three years, select that residual market share group.
- If two of the three years indicate the same residual market share group, select that residual market share group.
- If all three years indicate a different residual market share group, select the median residual market share group.

Commonwealth Automobile Reinsurers - 4/1/2012 Credit Offer
Indicated Private Passenger Auto Residual Market Share Group - Operator Class 17

Terr	Residual Market Share			Indicated Mkt Share Range			Selected Range*	2012 Credits	2011 Credits	Change	Residual Mark Shr Group	Keep Out Credits	
	2010	2011	2012	2010	2011	2012							
1	3.04%	3.40%	3.79%	0	0	0	0	0.00	-	-	0	0.00	
2	3.27%	3.27%	3.30%	0	0	0	0	0.00	-	-	1	1.00	
3	3.90%	3.88%	4.01%	0	0	0	0	0.00	-	-	2	1.00	
4	3.70%	3.60%	3.56%	0	0	0	0	0.00	-	-	3	1.00	
5	5.28%	5.13%	5.01%	1	1	1	1	1.00	0.25	0.75	4	1.25	
6	4.40%	4.69%	4.87%	0	0	0	0	0.00	-	-	5	1.50	
7	6.21%	6.27%	6.16%	1	1	1	1	1.00	0.25	0.75	6	1.75	
8	5.20%	6.27%	6.37%	1	1	1	1	1.00	0.25	0.75	7	2.00	
9	7.93%	8.00%	8.16%	1	2	2	2	1.00	0.70	0.30	8	2.25	
10	6.12%	7.06%	7.28%	1	1	1	1	1.00	0.25	0.75	9	2.50	
11	6.80%	8.34%	8.67%	1	2	2	2	1.00	0.70	0.30			
12	7.07%	7.88%	7.17%	1	1	1	1	1.00	0.70	0.30			
13	10.00%	9.75%	9.02%	2	2	2	2	1.00	0.70	0.30			
14	9.91%	9.57%	10.29%	2	2	2	2	1.00	0.70	0.30			
15	9.96%	11.55%	13.32%	2	3	3	3	1.00	0.80	0.20			
16	18.41%	17.85%	15.58%	4	4	3	4	1.25	1.50	(0.25)			
17	8.98%	9.30%	6.16%	2	2	1	2	1.00	0.70	0.30			
18	12.75%	17.64%	18.20%	3	4	4	4	1.25	1.50	(0.25)			
19	15.68%	16.56%	13.66%	3	3	3	3	1.00	1.50	(0.50)			
20	17.53%	16.96%	14.02%	4	3	3	3	1.00	1.50	(0.50)	<u>Available Credit Prem:</u>	<u>Credit Eligible Exp:</u>	
21	18.94%	20.13%	17.41%	4	4	4	4	1.25	1.50	(0.25)	2012	160,795,138	82,110
22	18.25%	20.29%	14.84%	4	4	3	4	1.25	1.50	(0.25)			
23	19.48%	14.61%	13.63%	4	3	3	3	1.00	0.80	0.20			
24	8.18%	8.91%	8.01%	2	2	2	2	1.00	0.70	0.30	2011	111,778,222	82,110
25	11.06%	14.89%	10.74%	3	3	2	3	1.00	0.80	0.20			
26	17.47%	13.82%	10.91%	4	3	2	3	1.00	0.80	0.20	<u>Difference:</u>	<u>Difference:</u>	
27	3.11%	2.88%	2.68%	0	0	0	0	0.00	-	-			
40	22.48%	26.36%	22.66%	4	5	4	4	1.25	1.50	(0.25)	49,016,916	-	
41	16.79%	15.67%	14.13%	3	3	3	3	1.00	1.50	(0.50)			
42	21.16%	20.02%	15.06%	4	4	3	4	1.25	1.50	(0.25)	<u>Percent Change:</u>	<u>Percent Change:</u>	
43	13.95%	13.91%	11.91%	3	3	3	3	1.00	0.80	0.20			
44	14.40%	14.67%	14.18%	3	3	3	3	1.00	0.80	0.20	43.9%	0.0%	
45	17.34%	20.51%	19.75%	4	4	4	4	1.25	1.50	(0.25)			
99	0.58%	0.75%	0.66%	0	0	0	0	0.00	-	-			
Tot	6.67%	6.91%	6.52%										

*Selection Criteria

- If the indicated residual market share group equal in all three years, select that residual market share group.
- If two of the three years indicate the same residual market share group, select that residual market share group.
- If all three years indicate a different residual market share group, select the median residual market share group.

**Commonwealth Automobile Reinsurers - 4/1/2012 Credit Offer
Indicated Private Passenger Auto Residual Market Share Group - Operator Class 18**

Terr	Residual Market Share			Indicated Mkt Share Range			Selected Range*	2012 Credits	2011 Credits	Change	Residual Mark Shr Group	Keep Out Credits
	2010	2011	2012	2010	2011	2012						
1	0.69%	0.86%	1.04%	0	0	0	0	0.00	-	-	0	0.00
2	0.79%	0.69%	0.72%	0	0	0	0	0.00	-	-	1	1.00
3	0.97%	0.93%	1.21%	0	0	0	0	0.00	-	-	2	1.00
4	0.87%	1.02%	1.07%	0	0	0	0	0.00	-	-	3	1.00
5	1.49%	1.41%	1.73%	0	0	0	0	0.00	-	-	4	1.25
6	1.24%	1.64%	1.76%	0	0	0	0	0.00	-	-	5	1.50
7	1.47%	2.38%	2.53%	0	0	0	0	0.00	-	-	6	1.75
8	1.79%	1.84%	2.10%	0	0	0	0	0.00	-	-	7	2.00
9	2.92%	3.01%	3.36%	0	0	0	0	0.00	-	-	8	2.25
10	2.98%	2.56%	1.80%	0	0	0	0	0.00	-	-	9	2.50
11	1.84%	1.96%	1.75%	0	0	0	0	0.00	-	-		
12	2.17%	2.52%	2.26%	0	0	0	0	0.00	-	-		
13	3.42%	4.56%	4.95%	0	0	0	0	0.00	-	-		
14	2.12%	3.72%	4.12%	0	0	0	0	0.00	-	-		
15	7.14%	7.44%	4.35%	1	1	0	1	1.00	0.35	0.65		
16	12.30%	11.36%	10.97%	3	3	2	3	1.00	0.85	0.15		
17	1.75%	2.16%	4.39%	0	0	0	0	0.00	-	-		
18	4.52%	2.99%	5.36%	0	0	1	0	0.00	-	-		
19	2.60%	5.84%	5.99%	0	1	1	1	1.00	0.35	0.65		
20	6.84%	5.88%	8.17%	1	1	2	1	1.00	0.35	0.65	<u>Available Credit Prem:</u>	<u>Credit Eligible Exp:</u>
21	8.59%	10.18%	9.42%	2	2	2	2	1.00	0.85	0.15	2012	7,606,403
22	6.15%	5.48%	9.93%	1	1	2	1	1.00	0.35	0.65		4,001
23	2.91%	3.86%	4.91%	0	0	0	0	0.00	-	-		
24	2.79%	4.77%	3.23%	0	0	0	0	0.00	-	-	2011	4,847,959
25	3.41%	2.80%	3.24%	0	0	0	0	0.00	-	-		
26	5.28%	5.46%	5.65%	1	1	1	1	1.00	0.35	0.65	<u>Difference:</u>	<u>Difference:</u>
27	0.62%	0.69%	0.73%	0	0	0	0	0.00	-	-		
40	3.39%	11.31%	10.87%	0	3	2	2	1.00	0.85	0.15	2,758,443	-
41	9.63%	9.37%	8.23%	2	2	2	2	1.00	0.75	0.25		
42	8.66%	9.28%	8.54%	2	2	2	2	1.00	0.75	0.25	<u>Percent Change:</u>	<u>Percent Change:</u>
43	6.60%	5.08%	4.26%	1	1	0	1	1.00	0.35	0.65		
44	9.03%	9.16%	6.90%	2	2	1	2	1.00	0.75	0.25	56.9%	0.0%
45	4.72%	7.74%	6.40%	0	1	1	1	1.00	0.75	0.25		
99	0.00%	0.00%	0.45%	0	0	0	0	0.00	-	-		
Tot	1.90%	2.14%	2.23%									

*Selection Criteria

- If the indicated residual market share group equal in all three years, select that residual market share group.
- If two of the three years indicate the same residual market share group, select that residual market share group.
- If all three years indicate a different residual market share group, select the median residual market share group.

**Commonwealth Automobile Reinsurers - 4/1/2012 Credit Offer
Indicated Private Passenger Auto Residual Market Share Group - Operator Class 20**

Terr	Residual Market Share			Indicated Mkt Share Range			Selected Range*	2012 Credits	2011 Credits	Change	Residual Mark Shr Group	Keep Out Credits	
	2010	2011	2012	2010	2011	2012							
1	13.08%	14.45%	10.00%	3	3	2	3	1.00	0.80	0.20	0	0.00	
2	13.96%	10.54%	8.82%	3	2	2	2	1.00	0.80	0.20	1	1.00	
3	16.42%	14.07%	8.89%	3	3	2	3	1.00	0.80	0.20	2	1.00	
4	13.25%	11.12%	7.49%	3	3	1	3	1.00	0.80	0.20	3	1.00	
5	21.33%	16.76%	13.95%	4	3	3	3	1.00	1.50	(0.50)	4	1.25	
6	17.83%	13.42%	11.22%	4	3	3	3	1.00	0.80	0.20	5	1.50	
7	22.56%	18.40%	13.71%	4	4	3	4	1.25	1.50	(0.25)	6	1.75	
8	22.09%	19.22%	14.12%	4	4	3	4	1.25	1.50	(0.25)	7	2.00	
9	23.55%	20.11%	16.67%	5	4	3	4	1.25	1.50	(0.25)	8	2.25	
10	27.21%	22.49%	16.30%	5	4	3	4	1.25	1.50	(0.25)	9	2.50	
11	21.82%	23.64%	16.09%	4	5	3	4	1.25	1.50	(0.25)			
12	20.06%	17.85%	14.03%	4	4	3	4	1.25	1.50	(0.25)			
13	29.23%	23.33%	17.03%	6	5	4	5	1.50	1.50	-			
14	22.05%	23.34%	18.56%	4	5	4	4	1.25	1.50	(0.25)			
15	50.53%	34.96%	31.56%	9	6	6	6	1.75	1.50	0.25			
16	54.47%	42.96%	32.05%	9	8	6	8	2.25	2.50	(0.25)			
17	22.34%	16.86%	17.73%	4	3	4	4	1.25	1.50	(0.25)			
18	38.89%	31.94%	24.32%	7	6	5	6	1.75	1.50	0.25			
19	44.85%	32.29%	17.22%	8	6	4	6	1.75	1.50	0.25			
20	36.52%	29.68%	29.89%	7	6	6	6	1.75	1.50	0.25	<u>Available Credit Prem:</u>	<u>Credit Eligible Exp:</u>	
21	43.33%	39.60%	32.09%	8	7	6	7	2.00	2.50	(0.50)	2012	110,323,713	25,020
22	35.24%	37.48%	34.54%	7	7	6	7	2.00	2.50	(0.50)			
23	50.14%	36.58%	25.43%	9	7	5	7	2.00	2.50	(0.50)			
24	28.34%	20.76%	17.71%	5	4	4	4	1.25	1.50	(0.25)	2011	121,076,670	25,020
25	28.71%	22.06%	16.77%	5	4	3	4	1.25	1.50	(0.25)			
26	39.31%	37.10%	32.45%	7	7	6	7	2.00	2.50	(0.50)	<u>Difference:</u>	<u>Difference:</u>	
27	15.09%	12.89%	9.47%	3	3	2	3	1.00	0.80	0.20			
40	54.85%	47.16%	41.14%	9	9	8	9	2.50	2.50	-	(10,752,957)	-	
41	33.81%	28.94%	23.11%	6	5	5	5	1.50	1.50	-			
42	42.25%	31.78%	22.27%	8	6	4	6	1.75	1.50	0.25	<u>Percent Change:</u>	<u>Percent Change:</u>	
43	42.90%	37.10%	29.90%	8	7	6	7	2.00	2.50	(0.50)			
44	41.65%	26.27%	21.69%	8	5	4	5	1.50	1.50	-	-8.9%	0.0%	
45	49.51%	40.75%	34.43%	9	7	6	7	2.00	2.50	(0.50)			
99	3.96%	3.67%	4.68%	0	0	0	0	0.00	-	-			
Tot	27.79%	23.05%	17.54%										

*Selection Criteria

- If the indicated residual market share group equal in all three years, select that residual market share group.
- If two of the three years indicate the same residual market share group, select that residual market share group.
- If all three years indicate a different residual market share group, select the median residual market share group.

**Commonwealth Automobile Reinsurers - 4/1/2012 Credit Offer
Indicated Private Passenger Auto Residual Market Share Group - Operator Class 21**

Terr	Residual Market Share			Indicated Mkt Share Range			Selected Range*	2012 Credits	2011 Credits	Change	Residual Mark Shr Group	Keep Out Credits	
	2010	2011	2012	2010	2011	2012							
1	4.10%	3.86%	2.84%	0	0	0	0	0.00	-	-	0	0.00	
2	1.66%	2.04%	2.10%	0	0	0	0	0.00	-	-	1	1.00	
3	3.99%	3.52%	3.75%	0	0	0	0	0.00	-	-	2	1.00	
4	3.84%	2.61%	3.00%	0	0	0	0	0.00	-	-	3	1.00	
5	6.25%	6.00%	5.04%	1	1	1	1	1.00	0.35	0.65	4	1.25	
6	3.00%	4.77%	3.04%	0	0	0	0	0.00	-	-	5	1.50	
7	9.18%	6.04%	5.43%	2	1	1	1	1.00	0.35	0.65	6	1.75	
8	3.95%	6.18%	3.52%	0	1	0	0	0.00	0.35	(0.35)	7	2.00	
9	5.60%	6.80%	6.19%	1	1	1	1	1.00	0.35	0.65	8	2.25	
10	8.89%	6.57%	8.48%	2	1	2	2	1.00	0.35	0.65	9	2.50	
11	4.81%	6.69%	5.96%	0	1	1	1	1.00	0.35	0.65			
12	7.61%	6.69%	5.92%	1	1	1	1	1.00	0.35	0.65			
13	9.64%	8.77%	9.57%	2	2	2	2	1.00	0.75	0.25			
14	5.07%	4.60%	8.75%	1	0	2	1	1.00	-	1.00			
15	16.67%	17.61%	12.03%	3	4	3	3	1.00	1.75	(0.75)			
16	15.08%	9.70%	17.62%	3	2	4	3	1.00	0.75	0.25			
17	4.74%	0.15%	3.19%	0	0	0	0	0.00	-	-			
18	2.84%	17.24%	16.64%	0	4	3	3	1.00	1.75	(0.75)			
19	3.28%	9.77%	10.15%	0	2	2	2	1.00	0.75	0.25			
20	2.12%	14.43%	6.45%	0	3	1	1	1.00	0.85	0.15	<u>Available Credit Prem:</u>	<u>Credit Eligible Exp:</u>	
21	16.51%	15.46%	14.40%	3	3	3	3	1.00	1.75	(0.75)	2012	14,951,238	6,786
22	13.46%	12.71%	10.73%	3	3	2	3	1.00	0.85	0.15			
23	9.30%	10.96%	11.68%	2	2	3	2	1.00	0.85	0.15			
24	10.45%	6.31%	0.19%	2	1	0	1	1.00	0.35	0.65	2011	11,258,714	6,892
25	9.23%	10.98%	2.93%	2	2	0	2	1.00	0.85	0.15			
26	23.83%	15.68%	13.61%	5	3	3	3	1.00	1.75	(0.75)	<u>Difference:</u>	<u>Difference:</u>	
27	3.66%	1.87%	2.44%	0	0	0	0	0.00	-	-			
40	11.37%	27.49%	29.02%	3	5	6	5	1.50	1.75	(0.25)		3,692,524	(106)
41	15.54%	15.44%	13.54%	3	3	3	3	1.00	1.75	(0.75)			
42	18.45%	18.23%	11.80%	4	4	3	4	1.25	1.75	(0.50)	<u>Percent Change:</u>	<u>Percent Change:</u>	
43	16.00%	13.12%	11.76%	3	3	3	3	1.00	0.85	0.15			
44	11.62%	8.66%	11.45%	3	2	3	3	1.00	0.75	0.25		32.8%	-1.5%
45	12.83%	11.85%	11.15%	3	3	3	3	1.00	0.85	0.15			
99	0.00%	0.00%	5.02%	0	0	1	0	0.00	-	-			
Tot	7.16%	6.86%	6.32%										

*Selection Criteria

- If the indicated residual market share group equal in all three years, select that residual market share group.
- If two of the three years indicate the same residual market share group, select that residual market share group.
- If all three years indicate a different residual market share group, select the median residual market share group.

**Commonwealth Automobile Reinsurers - 4/1/2012 Credit Offer
Indicated Private Passenger Auto Residual Market Share Group - Operator Class 25**

Terr	Residual Market Share			Indicated Mkt Share Range			Selected Range*	2012 Credits	2011 Credits	Change	Residual Mark Shr Group	Keep Out Credits
	2010	2011	2012	2010	2011	2012						
1	2.15%	2.19%	2.19%	0	0	0	0	0.00	-	-	0	0.00
2	2.13%	2.66%	2.28%	0	0	0	0	0.00	-	-	1	1.00
3	3.12%	3.00%	2.40%	0	0	0	0	0.00	-	-	2	1.00
4	3.45%	2.93%	2.06%	0	0	0	0	0.00	-	-	3	1.00
5	3.34%	3.43%	3.04%	0	0	0	0	0.00	-	-	4	1.25
6	3.51%	3.19%	2.87%	0	0	0	0	0.00	-	-	5	1.50
7	4.07%	3.75%	2.92%	0	0	0	0	0.00	-	-	6	1.75
8	5.26%	4.44%	3.73%	1	0	0	0	0.00	-	-	7	2.00
9	5.02%	5.13%	4.50%	1	1	0	1	1.00	0.25	0.75	8	2.25
10	4.68%	4.04%	3.43%	0	0	0	0	0.00	-	-	9	2.50
11	6.46%	5.92%	4.82%	1	1	0	1	1.00	0.25	0.75		
12	7.22%	7.06%	5.23%	1	1	1	1	1.00	0.25	0.75		
13	8.27%	7.82%	5.34%	2	1	1	1	1.00	0.70	0.30		
14	9.86%	8.57%	7.12%	2	2	1	2	1.00	0.70	0.30		
15	16.82%	20.53%	12.71%	3	4	3	3	1.00	1.50	(0.50)		
16	28.94%	30.78%	15.32%	5	6	3	5	1.50	1.50	-		
17	16.08%	7.80%	6.22%	3	1	1	1	1.00	0.70	0.30		
18	7.27%	14.85%	11.64%	1	3	3	3	1.00	0.80	0.20		
19	13.47%	12.45%	10.38%	3	3	2	3	1.00	0.80	0.20		
20	10.59%	12.22%	14.12%	2	3	3	3	1.00	0.80	0.20	<u>Available Credit Prem:</u>	<u>Credit Eligible Exp:</u>
21	16.41%	16.55%	13.37%	3	3	3	3	1.00	1.50	(0.50)	2012	41,404,202
22	13.15%	17.35%	13.71%	3	4	3	3	1.00	1.50	(0.50)		13,215
23	15.60%	15.83%	9.23%	3	3	2	3	1.00	1.50	(0.50)		
24	11.76%	8.64%	9.22%	3	2	2	2	1.00	0.70	0.30	2011	26,273,333
25	3.45%	9.29%	6.09%	0	2	1	1	1.00	0.70	0.30		
26	11.80%	14.37%	10.32%	3	3	2	3	1.00	0.80	0.20	<u>Difference:</u>	<u>Difference:</u>
27	2.31%	1.88%	1.49%	0	0	0	0	0.00	-	-		
40	17.49%	14.24%	7.98%	4	3	1	3	1.00	0.80	0.20	15,130,869	-
41	16.50%	11.41%	8.24%	3	3	2	3	1.00	0.80	0.20		
42	14.40%	11.03%	5.61%	3	3	1	3	1.00	0.80	0.20	<u>Percent Change:</u>	<u>Percent Change:</u>
43	13.88%	12.83%	8.63%	3	3	2	3	1.00	0.80	0.20		
44	13.12%	12.31%	7.51%	3	3	1	3	1.00	0.80	0.20	57.6%	0.0%
45	16.22%	14.34%	9.88%	3	3	2	3	1.00	0.80	0.20		
99	0.57%	0.89%	0.67%	0	0	0	0	0.00	-	-		
Tot	4.48%	4.12%	3.21%									

*Selection Criteria

- If the indicated residual market share group equal in all three years, select that residual market share group.
- If two of the three years indicate the same residual market share group, select that residual market share group.
- If all three years indicate a different residual market share group, select the median residual market share group.

**Commonwealth Automobile Reinsurers - 4/1/2012 Credit Offer
Indicated Private Passenger Auto Residual Market Share Group - Operator Class 26**

Terr	Residual Market Share			Indicated Mkt Share Range			Selected Range*	2012 Credits	2011 Credits	Change	Residual Mark Shr Group	Keep Out Credits
	2010	2011	2012	2010	2011	2012						
1	0.19%	0.58%	0.62%	0	0	0	0	0.00	-	-	0	0.00
2	0.39%	0.50%	0.49%	0	0	0	0	0.00	-	-	1	1.00
3	0.57%	0.77%	1.05%	0	0	0	0	0.00	-	-	2	1.00
4	0.54%	0.42%	0.57%	0	0	0	0	0.00	-	-	3	1.00
5	0.52%	0.95%	1.19%	0	0	0	0	0.00	-	-	4	1.25
6	0.83%	0.76%	0.78%	0	0	0	0	0.00	-	-	5	1.50
7	1.10%	1.22%	1.22%	0	0	0	0	0.00	-	-	6	1.75
8	1.05%	1.07%	0.98%	0	0	0	0	0.00	-	-	7	2.00
9	0.87%	1.19%	1.29%	0	0	0	0	0.00	-	-	8	2.25
10	1.66%	0.73%	1.08%	0	0	0	0	0.00	-	-	9	2.50
11	0.72%	0.59%	1.08%	0	0	0	0	0.00	-	-		
12	1.23%	1.27%	1.72%	0	0	0	0	0.00	-	-		
13	2.93%	2.13%	2.17%	0	0	0	0	0.00	-	-		
14	1.26%	2.58%	3.50%	0	0	0	0	0.00	-	-		
15	2.19%	2.61%	3.93%	0	0	0	0	0.00	-	-		
16	17.88%	4.25%	6.21%	4	0	1	1	1.00	-	1.00		
17	2.56%	1.85%	1.97%	0	0	0	0	0.00	-	-		
18	3.73%	3.36%	2.77%	0	0	0	0	0.00	-	-		
19	3.95%	3.85%	3.10%	0	0	0	0	0.00	-	-		
20	6.41%	10.10%	7.04%	1	2	1	1	1.00	0.85	0.15	<u>Available Credit Prem:</u>	<u>Credit Eligible Exp:</u>
21	4.99%	3.98%	2.73%	0	0	0	0	0.00	-	-	2012	922,613
22	2.91%	7.16%	6.53%	0	1	1	1	1.00	0.35	0.65		397
23	1.68%	2.47%	3.30%	0	0	0	0	0.00	-	-		
24	1.45%	2.54%	4.92%	0	0	0	0	0.00	-	-	2011	423,436
25	0.00%	1.05%	0.49%	0	0	0	0	0.00	-	-		
26	3.30%	4.16%	1.48%	0	0	0	0	0.00	-	-	<u>Difference:</u>	<u>Difference:</u>
27	0.18%	0.31%	0.57%	0	0	0	0	0.00	-	-		
40	2.74%	4.76%	2.81%	0	0	0	0	0.00	-	-	499,177	58
41	7.41%	4.88%	3.54%	1	0	0	0	0.00	-	-		
42	4.49%	3.63%	3.28%	0	0	0	0	0.00	-	-	<u>Percent Change:</u>	<u>Percent Change:</u>
43	4.83%	3.18%	2.34%	0	0	0	0	0.00	-	-		
44	7.35%	5.70%	2.20%	1	1	0	1	1.00	0.35	0.65	117.9%	17.0%
45	1.72%	3.23%	4.76%	0	0	0	0	0.00	-	-		
99	0.00%	0.00%	0.00%	0	0	0	0	0.00	-	-		
Tot	0.94%	0.98%	1.09%									

*Selection Criteria

- If the indicated residual market share group equal in all three years, select that residual market share group.
- If two of the three years indicate the same residual market share group, select that residual market share group.
- If all three years indicate a different residual market share group, select the median residual market share group.

**Commonwealth Automobile Reinsurers - 4/1/2012 Credit Offer
Indicated Private Passenger Auto Residual Market Share Group - Operator Class 30**

Terr	Residual Market Share			Indicated Mkt Share Range			Selected Range*	2012 Credits	2011 Credits	Change	Residual Mark Shr Group	Keep Out Credits	
	2010	2011	2012	2010	2011	2012							
1	0.33%	0.50%	0.56%	0	0	0	0	0.00	-	-	0	0.00	
2	0.68%	0.61%	0.96%	0	0	0	0	0.00	-	-	1	1.00	
3	0.51%	0.60%	0.77%	0	0	0	0	0.00	-	-	2	1.00	
4	0.61%	0.74%	0.73%	0	0	0	0	0.00	-	-	3	1.00	
5	0.86%	0.92%	1.31%	0	0	0	0	0.00	-	-	4	1.25	
6	0.57%	1.17%	0.97%	0	0	0	0	0.00	-	-	5	1.50	
7	0.79%	1.19%	1.29%	0	0	0	0	0.00	-	-	6	1.75	
8	1.51%	1.36%	1.10%	0	0	0	0	0.00	-	-	7	2.00	
9	1.14%	1.61%	1.80%	0	0	0	0	0.00	-	-	8	2.25	
10	2.78%	2.28%	1.92%	0	0	0	0	0.00	-	-	9	2.50	
11	0.95%	1.41%	1.60%	0	0	0	0	0.00	-	-			
12	2.01%	2.46%	2.17%	0	0	0	0	0.00	-	-			
13	1.55%	1.84%	2.59%	0	0	0	0	0.00	-	-			
14	4.62%	3.35%	2.34%	0	0	0	0	0.00	-	-			
15	6.78%	3.24%	4.22%	1	0	0	0	0.00	-	-			
16	9.20%	6.22%	7.05%	2	1	1	1	1.00	0.35	0.65			
17	2.35%	1.65%	0.99%	0	0	0	0	0.00	-	-			
18	5.21%	4.29%	5.49%	1	0	1	1	1.00	-	1.00			
19	0.89%	0.98%	1.49%	0	0	0	0	0.00	-	-			
20	5.28%	0.68%	0.79%	1	0	0	0	0.00	-	-	<u>Available Credit Prem:</u>	<u>Credit Eligible Exp:</u>	
21	9.63%	7.85%	6.55%	2	1	1	1	1.00	0.75	0.25	2012	2,103,859	1,330
22	3.57%	1.64%	9.91%	0	0	2	0	0.00	-	-			
23	1.20%	1.62%	1.63%	0	0	0	0	0.00	-	-			
24	1.98%	1.80%	3.61%	0	0	0	0	0.00	-	-	2011	669,496	689
25	1.43%	2.15%	1.32%	0	0	0	0	0.00	-	-			
26	3.53%	3.37%	0.59%	0	0	0	0	0.00	-	-	<u>Difference:</u>	<u>Difference:</u>	
27	0.30%	0.39%	0.43%	0	0	0	0	0.00	-	-			
40	1.78%	0.05%	0.09%	0	0	0	0	0.00	-	-		1,434,363	641
41	1.05%	2.06%	1.75%	0	0	0	0	0.00	-	-			
42	2.05%	2.92%	2.44%	0	0	0	0	0.00	-	-	<u>Percent Change:</u>	<u>Percent Change:</u>	
43	4.10%	2.32%	3.28%	0	0	0	0	0.00	-	-			
44	5.71%	6.14%	5.93%	1	1	1	1	1.00	0.35	0.65		214.2%	93.1%
45	5.16%	4.71%	5.24%	1	0	1	1	1.00	-	1.00			
99	0.00%	0.00%	0.00%	0	0	0	0	0.00	-	-			
Tot	1.07%	1.16%	1.26%										

*Selection Criteria

- If the indicated residual market share group equal in all three years, select that residual market share group.
- If two of the three years indicate the same residual market share group, select that residual market share group.
- If all three years indicate a different residual market share group, select the median residual market share group.

**Commonwealth Automobile Reinsurers - 4/1/2012 Credit Offer
Indicated Private Passenger Auto Residual Market Share Group - Operator Class MM**

Terr	Residual Market Share			Indicated Mkt Share Range			Selected Range*	2012 Credits	2011 Credits	Change	Residual Mark Shr Group	Keep Out Credits	
	2010	2011	2012	2010	2011	2012							
1	1.76%	1.69%	1.89%	0	0	0	0	0.00	-	-	0	0.00	
2	1.91%	1.77%	1.62%	0	0	0	0	0.00	-	-	1	1.00	
3	2.37%	2.20%	2.09%	0	0	0	0	0.00	-	-	2	1.00	
4	1.83%	1.56%	1.49%	0	0	0	0	0.00	-	-	3	1.00	
5	2.72%	2.28%	2.44%	0	0	0	0	0.00	-	-	4	1.25	
6	2.35%	2.19%	2.31%	0	0	0	0	0.00	-	-	5	1.50	
7	3.72%	3.18%	3.28%	0	0	0	0	0.00	-	-	6	1.75	
8	3.35%	3.26%	3.50%	0	0	0	0	0.00	-	-	7	2.00	
9	3.84%	3.47%	3.81%	0	0	0	0	0.00	-	-	8	2.25	
10	3.97%	3.22%	4.06%	0	0	0	0	0.00	-	-	9	2.50	
11	4.63%	4.17%	4.34%	0	0	0	0	0.00	-	-			
12	5.01%	4.45%	4.16%	1	0	0	0	0.00	-	-			
13	6.40%	5.47%	5.05%	1	1	1	1	1.00	0.35	0.65			
14	8.47%	7.01%	6.53%	2	1	1	1	1.00	0.35	0.65			
15	11.69%	11.23%	10.13%	3	3	2	3	1.00	0.85	0.15			
16	11.45%	12.14%	6.95%	3	3	1	3	1.00	0.85	0.15			
17	4.41%	4.12%	4.06%	0	0	0	0	0.00	-	-			
18	8.44%	6.84%	3.93%	2	1	0	1	1.00	0.35	0.65			
19	9.99%	5.19%	5.53%	2	1	1	1	1.00	0.35	0.65			
20	10.67%	10.25%	7.98%	2	2	1	2	1.00	0.85	0.15	<u>Available Credit Prem:</u>	<u>Credit Eligible Exp:</u>	
21	12.87%	12.71%	10.70%	3	3	2	3	1.00	0.85	0.15	2012	4,261,924	17,878
22	16.39%	12.68%	10.15%	3	3	2	3	1.00	0.85	0.15			
23	12.50%	7.81%	6.65%	3	1	1	1	1.00	0.75	0.25			
24	8.94%	3.83%	4.72%	2	0	0	0	0.00	-	-	2011	2,367,124	17,878
25	4.45%	3.68%	4.91%	0	0	0	0	0.00	-	-			
26	13.71%	8.28%	6.11%	3	2	1	2	1.00	0.75	0.25	<u>Difference:</u>	<u>Difference:</u>	
27	1.64%	1.38%	1.34%	0	0	0	0	0.00	-	-			
40	11.55%	11.56%	12.51%	3	3	3	3	1.00	0.85	0.15	1,894,800	-	
41	6.57%	6.94%	6.76%	1	1	1	1	1.00	0.35	0.65			
42	11.63%	10.04%	7.08%	3	2	1	2	1.00	0.85	0.15	<u>Percent Change:</u>	<u>Percent Change:</u>	
43	7.43%	5.81%	5.86%	1	1	1	1	1.00	0.35	0.65			
44	12.58%	11.48%	10.89%	3	3	2	3	1.00	0.85	0.15	80.0%	0.0%	
45	10.88%	9.72%	11.00%	2	2	3	2	1.00	0.75	0.25			
99	1.34%	0.44%	1.14%	0	0	0	0	0.00	-	-			
Tot	3.33%	2.93%	2.92%										

*Selection Criteria

- If the indicated residual market share group equal in all three years, select that residual market share group.
- If two of the three years indicate the same residual market share group, select that residual market share group.
- If all three years indicate a different residual market share group, select the median residual market share group.

CAR Rule 21 Revision Date Page	Rules of Operation General Provisions 2011.12.19 1 of 5
---	--

A. General Provisions

The Massachusetts Automobile Insurance Plan (MAIP) has been created to provide Private Passenger Motor Vehicle Insurance to Eligible Risks, as defined by Rule 22, who seek and are unable to obtain such insurance through the voluntary market, and to assure that the risks written through the MAIP are distributed equitably based upon the Quota Share of each Member as defined by Rule 22.

The Rules of Operation of the MAIP are adopted in accordance with CAR's Plan of Operation in order to implement the MAIP and shall be effective July 16, 2007, subject to the provisions for the phase-in of placements through the MAIP pursuant to Section B. **below** and the constraints identified in Section D. **below**.

B. Provisions for the Phase-In of Placements Through the MAIP

In order to achieve a smooth transition from the reinsurance facility administered by Commonwealth Automobile Reinsurers (the CAR pool) to the MAIP, the placement of Eligible Risks through the MAIP will not begin until April 1, 2008 pursuant to Section B.2. **below** and will, at first, be limited to New Business. The placement of all other business through the MAIP will be subject to a gradual process. The first, limited category of risks that must be placed through the MAIP if declined in the voluntary market will also begin for policies effective on or after April 1, 2008 pursuant to Sections B.2. and 3. **below**. Only as of April 1, 2009 must all risks that are declined in the voluntary market be placed through the MAIP pursuant to Section B.4. **below**. Additionally, constraints on business that cannot be non-renewed are imposed pursuant to Section D. **below**. This measured approach is necessary to ensure that the MAIP is not overwhelmed in its initial operation and to allow CAR time to implement the administrative framework of the MAIP. To achieve these benefits, the following Rules apply to eligibility for ceding to the CAR pool and to eligibility for placement through the MAIP on or after July 16, 2007:

CAR	Rules of Operation
Rule 21	General Provisions
Revision Date	2011.12.19
Page	2 of 5

1. Beginning on July 16, 2007, the MAIP Rules become effective, but no business can be placed through the MAIP until April 1, 2008. Members who are eligible to cede pursuant to CAR Rules may continue to cede to the CAR pool new or other Private Passenger Motor Vehicle Insurance business, including renewal business, with policy effective dates from July 16, 2007 through March 31, 2008.
2. All New Business, pursuant to Rule 22, with policy effective dates on or after April 1, 2008, must either be written voluntarily or be declined and referred for placement through the MAIP. These declined risks can no longer be ceded to the CAR pool as of April 1, 2008.
3. All Private Passenger Motor Vehicle Insurance business, including renewal business, with policy effective dates on or after April 1, 2008 that has 10 or more merit rating points, as determined by the MAIP rate manual rules, must either be written voluntarily or declined and referred for placement through the MAIP. These risks can no longer be ceded to the CAR pool as of April 1, 2008.
4. All Private Passenger Motor Vehicle Insurance business with policy effective dates on or after April 1, 2009, must either be written voluntarily or be declined and referred for placement through the MAIP. These risks can no longer be ceded to the CAR pool as of April 1, 2009.

The last policy effective date on which any risk can be ceded to the CAR pool is March 31, 2009.

C. Transition Procedures

1. The following procedures have been established in order to continue a smooth transition from the reinsurance facility administered by CAR to the MAIP. Notwithstanding anything to the contrary in these Rules, including but not limited to the provisions of Rules 26.A.3.a.(3), 28.B.1., 28.C.1.a., 31.B.3.1., 31.B.5.a., and 31.B.6., these procedures apply to applications for coverage effective through March 31, 2010 that meet the following eligibility criteria:

CAR	Rules of Operation
Rule 21	General Provisions
Revision Date	2011.12.19
Page	3 of 5

- a. The applicant's prior policy was non-renewed.
 - b. The applicant's producer of record for the prior policy was an Exclusive Representative Producer on the effective date of that policy, or the prior policy was ceded to CAR.
 - c. There is no prior premium owed; and
 - d. The applicant is otherwise eligible for MAIP placement.
2. An applicant that meets the established eligibility criteria is subject to the following provisions:
- a. The down payment will be calculated as 20% of the MAIP premium;
 - b. Pre-inspection requirements will be waived;
 - c. The down payment and original MAIP policy application, signed by the ARP, must be submitted to the Assigned Risk Company within 2 business days of the assignment. The requirement for an applicant's signature on the original application will be waived provided that, a signed copy of the application is received by the ARP within 10 business days of the assignment. The ARP will be required to maintain the signed copy, and make this copy available upon request;
 - d. If requested by its former ERP, the former Servicing Carrier will provide a list of non-renewed policies in electronic format to the former ERP.
3. The following procedures apply to new business applications submitted through the MAIP for coverage effective April 1, 2010 through March 31, 2011 by a former Exclusive Representative Producer that does not have a voluntary contract as of April 1, 2010.
- a. The down payment will be calculated as 20% of the MAIP premium;

CAR | **Rules of Operation**
Rule 21 | **General Provisions**
Revision Date | **2011.12.19**
Page | **4 of 5**

- b. The down payment and original MAIP policy application, signed by the ARP, must be submitted to the Assigned Risk Company within 2 business days of the assignment. The requirement for an applicant's signature on the original application will be waived provided that a signed copy of the application is received by the ARP within 10 business days of the assignment. The ARP will be required to maintain the signed copy and make this copy available upon request.
4. Procedures adopted pursuant to Rule 21.C.3.a. and b. do not apply to new business applications submitted through the MAIP by a former Exclusive Representative Producer that receives a voluntary contract subsequent to April 1, 2010.
5. The down payment will be calculated as 20% of the MAIP premium for new business applications resulting from the non-renewal of an assigned policy as a result of the expiration of the three year assignment period pursuant to Rule 29.D.1. This provision applies to applications submitted to the MAIP for coverage effective September 1, 2011 through December 31, 2011.

D. Constraints on Placement Through the MAIP During the Transition Period

- ~~1.~~ A Clean-in-Three Risk, ~~pursuant to defined in Rule 22, and pursuant to the provisions of Rule 21.D.2., D.3., and D.4, with a renewal date during the period April 1, 2008 through March 31, 2012,~~ cannot be non-renewed by a Member unless:

~~1.a.~~ The insured, at his own initiative, chooses not to renew his policy with such Member;

~~2.b.~~ The producer terminates his relationship with a Member and the producer transfers his book of business, which includes such a Clean-in-Three Risk, from that Member to a new Member; or

~~3.c.~~ The Member terminates his relationship with a producer and the producer transfers his book of business, which includes such a Clean-in-Three Risk, from that Member to a new Member.

CAR	Rules of Operation
Rule 21	General Provisions
Revision Date	2011.12.19
Page	5 of 5

2. For policies effective prior to April 1, 2012, a Clean-in-Three Risk cannot be non-renewed by the Member except as provided by Rule 21.D.1.
3. For policies effective April 1, 2012 through March 31, 2013, a Clean-in-Three Risk can not be non-renewed by the Member except as provided by Rule 21.D.1. if the producer did not have a voluntary contract with any Member as of April 1, 2009.
4. For policies effective April 1, 2013 through March 31, 2014, a Clean-in-Three Risk can not be non-renewed by the Member except as provided by Rule 21.D.1. if the producer did not have a voluntary contract with any Member as of April 1, 2010.
5. For policies effective April 1, 2014 and subsequent, the restriction on the non-renewal of a Clean-in-Three Risk no longer applies. However, no later than December 1, 2013, CAR shall confirm that the end date should be ratified based on a review of then-current data relating to Clean-in-Three Risks.

E. Obligations of Assigned Risk Companies Relative to Clean-in-Three Business

The Producer of a Clean-in-Three Risk, renewed by an Assigned Risk Company (ARC) pursuant to Rule 21.D., shall continue as the risk's producer of record and shall be paid commissions owed on such business, even if the producer does not hold a voluntary contract with the ARC. The producer's commission and the term of commission payments are governed by Rule 30.C.1.d.

CAR Rule 29 Revision Date Page	Rules of Operation Assignment Process 2011.12.19 1 of 12
---	---

A. Calculation of Initial Quota Share

For the purposes of calculating a Member's initial Quota Share, the Member's voluntary market share will be the ratio of each Member's written property damage liability exposures for the 12-month period ending June 30, 2007 with CAR ID codes 0 or 1 over the industry written exposures for the 12-month period ending June 30, 2007 with CAR ID 0 or 1. Exposures for motorcycles, snowmobiles, and electric motor vehicles will be adjusted by a factor of 0.33.

B. Assignment of Applications

The MAIP shall randomly assign applications that are eligible for coverage based on each Member's individual Quota Share. A Member's Quota Share shall reflect that Member's proportion of Private Passenger Motor Vehicle MAIP premiums that its respective voluntary private passenger property damage liability direct written exposures bears to the statewide total of voluntary private passenger property damage liability direct written exposures of all companies in the state.

1. For the purpose of such distribution as described above: (1) voluntary private passenger property damage liability direct written exposures; and (2) private passenger MAIP premiums shall be defined as below:
 - a. Voluntary private passenger property damage liability direct written exposures shall be the number of private passenger property damage liability car years written by the company for the most recent 12 months, regardless of the type of Motor Vehicle Insurance policy under which such property damage liability car years are written, excluding private passenger liability car years written through the MAIP. Exposures for motorcycles, snowmobiles, and electric motor vehicles will be adjusted by a factor of 0.33.

Exposures of a Clean-in-Three Risk as defined in Rule 22 as of the effective date of its current Private Passenger Motor Vehicle Insurance policy and pursuant to the provisions of Rule 21.D. will be adjusted by a factor of 0.0 provided the following conditions are met:

CAR | **Rules of Operation**
Rule 29 | **Assignment Process**
Revision Date | **2011.12.19**
Page | **2 of 12**

- (1) The operator was insured by a Member under a Private Passenger Motor Vehicle Insurance policy with an effective date between April 1, 2008 and March 31, 2009 and the producer of record was exclusively assigned to the Member by CAR;
 - (2) The producer of record for the operator has not changed since March 31, 2009.
- b. For the purpose of establishing the Quota Share of a Newly Writing Company that becomes eligible for appointment as an ARC pursuant to Rule 30 before that Member is required to submit detailed statistical data under the provisions of the Massachusetts Private Passenger Automobile Statistical Plan, the Member is required to report interim summary data pursuant to **Rule 29, Section C**.
 - c. Private Passenger Motor Vehicle MAIP premiums shall be developed from the MAIP rates and rating plan and shall include the total of: 20/40 bodily injury (including guest), \$100,000 property damage liability, and \$8,000 personal injury protection manual premiums excluding subsidies calculated using MAIP cost-based rates and adjusted for the MAIP merit rating plan for Private Passenger Motor Vehicle MAIP insureds and any risk voluntarily insured that is eligible for premium credits allowed pursuant to this Rule.
2. MAIP will assign applications to the most undersubscribed Member as defined by the ratio of the Member's assigned MAIP premium to the Member's credit-adjusted Quota Share. In the event this ratio is the same for two or more Members, MAIP will assign the application to the most undersubscribed of those Members based upon the difference between each Member's assigned MAIP premium and its credit-adjusted Quota Share. All assignments are subject to the distribution restrictions relative to the assignment process pursuant to Section F. **below**. After assignment, MAIP will update the accumulated assigned MAIP premium and recalculate each Member's ratio of assigned MAIP premium to credit-adjusted Quota Share.

CAR	Rules of Operation
Rule 29	Assignment Process
Revision Date	2011.12.19
Page	3 of 12

C. Quota Share Adjustment

The MAIP shall adjust the assigned premium Quota Share of each Member monthly, in order to correct for the amount of previously assigned MAIP premium which was less than or in excess of each Member's appropriate share of total MAIP premium, for the amount of premium connected with reversed assignments due to non-payment or insufficient funds, and for the amount of premium associated with MAIP risks moving to the voluntary market or adjustments for any applicable credits. On a monthly basis, the MAIP shall notify each Member of its market share and premium Quota Share adjustments.

1. To determine the current premium Quota Share of a Newly Writing Company that becomes eligible for appointment as an ARC pursuant to Rule 30.A.1. before that Member is required to submit detailed statistical data under the provisions of the Massachusetts Private Passenger Automobile Statistical Plan, the Member is required to report interim summary data to CAR beginning no later than the 23-month anniversary of the calendar date on which the Member's initial Private Passenger Motor Vehicle Insurance rates and manual become effective. The Member will be required to report private passenger property damage liability car months of exposure by CAR identification code, policy effective month, premium town, classification, and merit rating status as defined in the Massachusetts Private Passenger Automobile Statistical Plan. The initial report will include the 12 consecutive policy effective months that will be used to determine the Member's initial Quota Share. Monthly data will be reported thereafter until the Member commences reporting detailed statistical data to CAR.

An additional adjustment shall be made to the latest rolling 12-month voluntary exposure based market share that is used to determine the current premium Quota Share of a Member(s) when that Member(s) is part of an insurer group that includes any other insurance company that qualifies as a Newly Writing Company, and that Newly Writing Company has elected to be treated as a Member separate from the current Member(s) under these Rules. This adjustment shall continue until the Newly Writing Company become eligible for appointment as an ARC pursuant to Rule 30.

CAR | **Rules of Operation**
Rule 29 | **Assignment Process**
Revision Date | **2011.12.19**
Page | **4 of 12**

The latest rolling 12-month voluntary exposure based market share used to determine such Member(s) current premium Quota Share shall not be adjusted to reflect any reduction in vehicle exposures that were insured under a Private Passenger Motor Vehicle Insurance policy issued voluntarily by such Member(s) immediately prior to the vehicle's initial policy inception date with such Newly Writing Company.

This adjustment will apply regardless of whether the initial policy inception date with the Newly Writing Company pre-dates the calendar months underlying the latest rolling 12-month voluntary exposure based market share used to determine the Member(s) current premium Quota Share.

2. To determine the current premium Quota Share of a Newly Writing Company that becomes eligible for appointment as an ARC pursuant to Rule 30.A.2 before that Member is required to submit detailed statistical data under the provisions of the Massachusetts Private Passenger Automobile Statistical Plan, the Member is required to report interim summary data to CAR. The Member shall begin reporting summary data no later than 45 days after the close of the month of the Member's initial Private Passenger Motor Vehicle Insurance rates and rate manual effective date. The Member will be required to report written private passenger property damage liability car months of exposure by CAR identification code, policy effective month, territory, classification, and merit rating status as defined in the Massachusetts Private Passenger Automobile Statistical Plan. Monthly summary data will be reported thereafter until the Member commences reporting detailed statistical data to CAR.

D. Assignment Period

1. An Eligible Risk shall be insured by a designated ARC for a period of three consecutive years.

For policies of an Eligible Risk whose assignment period ends March 31, 2012 and prior, the designated ARC may offer to continue an Eligible Risk's assignment beyond the period of three consecutive years by offering to write a third renewal, may offer to write the policy on a voluntary basis, or may non-renew the policy.

CAR | **Rules of Operation**
Rule 29 | **Assignment Process**
Revision Date | **2011.12.19**
Page | **5 of 12**

For policies of an Eligible Risk whose three year assignment period ends effective April 1, 2012 and subsequent, the designated ARC may offer to write the policy on a voluntary basis, or may non-renew the policy.

2. For policies whose three year assignment period ends effective January 1, 2012 and subsequent, if the designated ARC intends to non-renew the policy at the end of the three year assignment period the following procedures shall apply.

On or about the first business day of the month, the designated ARC will distribute to the ARP a list of policies that the ARC does not intend to renew and which will expire during the month at least 120 days from the distribution date, thereby providing the ARP an opportunity to seek replacement coverage in the voluntary market. If replacement coverage is obtained for the risk, the ARP shall submit a Notice of Transfer of Insurer (2A Form) to the former ARC identifying the new carrier.

No less than 60 days prior to the expiration date, if replacement coverage is not obtained for the Eligible Risk, the ARP shall submit an application to the MAIP. The application will be assigned to a Member such that the designated ARC is different than the former ARC. Upon receiving the assignment, the ARP shall submit a 2A Form to the former ARC identifying the newly designated ARC. A down payment is not required and upon receipt of the application, the newly designated ARC will bill the applicant for 20% of the premium to be charged, which shall be the lower of the MAIP premium or the voluntary premium for which the applicant qualifies.

If no 2A Form is received, the designated ARC will issue a non-renewal notice at least 45 days prior to the expiration date with a copy sent to the ARP.

Upon receipt of the non-renewal notice, the Eligible Risk may reapply for coverage through the MAIP. Such reapplication shall be considered a new business application and the Eligible Risk shall be assigned to a different Member such that the designated ARC is different than the former ARC.

3. In the case of a non-resident military person, pursuant to Rule 26.A.1.c., the designated ARC need not renew if at the time of the renewal the policyholder is stationed in another state and his motor vehicle is not registered in Massachusetts.

CAR | **Rules of Operation**
Rule 29 | **Assignment Process**
Revision Date | **2011.12.19**
Page | **6 of 12**

E. Credit Programs

All credits for each rate year shall be reviewed annually and submitted to the Commissioner for his approval. Any premium credited under this Rule that in aggregate exceeds 100% of the overall Quota Share may not be credited against the Quota Share.

1. Voluntary Credit

- a. For policies with effective dates of April 1, 2010 and subsequent, a Member shall receive a credit for any exposure that it insures voluntarily in the territory and operator classes pursuant to Sections E.2. and E.3. below.
- b. Credit shall be applied to the Member's Quota Share pursuant to Section ~~29.C.~~ above for the appropriate premiums pursuant to Sections E.2. and E.3. below.

2. Amount of Credits

Members shall receive credit for each exposure written voluntarily pursuant to Section E.1.b. above in the territory and operator classes listed in Section E.3. below. The amount of credit shall equal the annual Private Passenger Motor Vehicle MAIP premium for the risk as if it has been insured through the MAIP, multiplied by the appropriate factor shown below, as displayed in the policy effective date tables.

For policies with effective dates of April 1, 2012 and subsequent, the factor will be determined based on a review of the three most recent prior years of residual market share data, by territory and operator class. Credit eligible groups will be defined by ranges of residual market shares, and credit factors will be established in accordance with the following criteria:

<u>Residual Market Group</u>	<u>Residual Market Share Range</u>	<u>Voluntary Credit Factor</u>
<u>0</u>	<u>0.0% - 4.9%</u>	<u>0.00</u>
<u>1</u>	<u>5.0% - 7.9%</u>	<u>1.00</u>
<u>2</u>	<u>8.0% - 10.9%</u>	<u>1.00</u>
<u>3</u>	<u>11.0% - 16.9%</u>	<u>1.00</u>
<u>4</u>	<u>17.0% - 22.9%</u>	<u>1.25</u>
<u>5</u>	<u>23.0% - 28.9%</u>	<u>1.50</u>
<u>6</u>	<u>29.0% - 34.9%</u>	<u>1.75</u>
<u>7</u>	<u>35.0% - 40.9%</u>	<u>2.00</u>
<u>8</u>	<u>41.0% - 46.9%</u>	<u>2.25</u>
<u>9</u>	<u>47.0% - 100.0%</u>	<u>2.50</u>

CAR | **Rules of Operation**
Rule 29 | **Assignment Process**
Revision Date | **2011.12.19**
Page | **7 of 12**

3. Credit Factors

~~The following factors are applicable for policies with effective dates from April 1, 2009 through March 31, 2010.~~

	Operator-Class									
Territory	10	15	17	18	20	21	25	26	30	M/M*
01					1.0		0.5			
02					1.0		0.5			
03					1.5		0.5			
04					1.5		0.5			
05					1.5	0.5	0.5			
06			0.5		1.5		0.5			
07			0.5		1.5	1.0	1.0			
08			0.5		1.5	0.5	1.0			
09			1.0		1.5	1.0	1.0	0.5		
10			1.0		1.5	1.0	1.0	0.5		
11			1.0		1.5	1.0	1.0			
12			1.0		1.5	1.0	1.0	0.5		0.5
13			1.0		2.0	1.0	1.0	1.0		0.5
14			1.0	0.5	1.5	1.0	1.0	1.0		1.0
15	0.5	0.5	1.0	1.0	2.5	1.0	1.0	0.5		1.0
16	1.0	1.0	1.5	0.5	2.0	1.5	1.5	1.5	1.0	1.0
17			1.0		2.0	1.0	1.5			
18	0.5	0.5	1.5		2.0	1.0	1.5			1.0
19	0.5	0.5	1.5	1.0	2.0	0.5	1.0			1.0
20	0.5	0.5	1.5		2.0	1.5	2.0	1.5	1.0	1.0
21	0.5	1.0	1.5	1.0	2.0	1.5	1.5	1.0	0.5	1.0
22	1.0	1.0	1.5	1.0	2.0	1.5	1.5	1.0	1.5	1.5
23			1.0		2.0	1.0	1.5	0.5		1.0
24			1.0		2.0	1.0	1.0	0.5		1.0
25			1.0		1.5	0.5	1.0	0.5	0.5	1.0
26			1.5	1.0	2.0	1.0	1.0	0.5		1.0
27					1.0		0.5			
40	0.5		1.5	1.0	2.5	1.5	1.0	1.0		1.0
41			1.5		2.0	1.5	1.0	1.0		0.5
42	0.5	0.5	1.5	0.5	2.0	1.0	1.0	1.0		1.0
43	1.0	0.5	1.5	1.0	2.5	1.5	1.0	1.0		0.5
44	0.5	0.5	1.0	0.5	2.0	1.0	1.0	1.0		1.0
45	1.0	0.5	1.5	1.0	2.0	1.5	1.5	1.0	1.0	1.0
99						0.5		0.5		

* ~~Motorecycle and Miscellaneous Classes~~

CAR | **Rules of Operation**
Rule 29 | **Assignment Process**
Revision Date | **2011.12.19**
Page | **8 of 12**

The following factors are applicable for policies with effective dates from April 1, 2010 through March 31, 2011.

Operator Class										
Territory	10	15	17	18	20	21	25	26	30	M/M*
01					0.8					
02					0.8					
03					1.5					
04					0.8					
05			0.25		1.5	0.35				
06					1.5					
07			0.25		1.5	0.75				
08			0.25		1.5		0.25			
09			0.7		1.5	0.35	0.25			
10			0.25		1.5	0.75				
11			0.25		1.5		0.25			
12			0.25		1.5	0.75	0.25			0.35
13			0.8		1.5	0.75	0.7			0.35
14			0.7		1.5	0.35	0.7			0.75
15	0.35		0.7	0.35	3.5	1.75	1.5		0.35	0.85
16	0.85		1.5	0.85	3.5	1.75	1.5	1.75	0.75	0.85
17			0.7		1.5		1.5			
18	0.35		0.8		2.5		0.25		0.35	0.75
19			1.5		2.5		0.8			0.75
20	0.35		1.5	0.35	2.5		0.8	0.35	0.35	0.85
21	0.75	0.35	1.5	0.75	2.5	1.75	1.5		0.75	0.85
22	0.85	0.75	1.5	0.35	2.5	0.85	0.8			1.75
23			1.5		3.5	0.75	1.5			0.85
24			0.7		1.5	0.85	0.8			0.75
25			0.8		1.5	0.75				
26	0.35		1.5	0.35	2.5	1.75	0.8			0.85
27					1.5					
40	0.85		1.5		3.5	0.85	1.5			0.85
41	0.35		1.5	0.75	1.5	1.75	1.5	0.35		0.35
42	0.85		1.5	0.75	2.5	1.75	0.8			0.85
43	0.75		0.8	0.35	2.5	1.75	0.8			0.35
44	0.75		0.8	0.75	2.5	0.85	0.8	0.35	0.35	0.85
45	0.75		1.5		2.5	0.85	1.5		0.35	0.85
99										

* Motorcycle and Miscellaneous Classes

CAR | **Rules of Operation**
Rule 29 | **Assignment Process**
Revision Date | **2011.12.19**
Page | **9 of 12**

The following factors are applicable for policies with effective dates of April 1, 2011 through March 31, 2012 and subsequent.

Operator Class										
Territory	10	15	17	18	20	21	25	26	30	M/M*
01					0.8					
02					0.8					
03					0.8					
04					0.8					
05			0.25		1.5	0.35				
06					0.8					
07			0.25		1.5	0.35				
08			0.25		1.5	0.35				
09			0.7		1.5	0.35	0.25			
10			0.25		1.5	0.35				
11			0.7		1.5	0.35	0.25			
12			0.7		1.5	0.35	0.25			
13			0.7		1.5	0.75	0.7			0.35
14			0.7		1.5		0.7			0.35
15			0.8	0.35	1.5	1.75	1.5			0.85
16	0.75		1.5	0.85	2.5	0.75	1.5		0.35	0.85
17			0.7		1.5		0.7			
18	0.35		1.5		1.5	1.75	0.8			0.35
19			1.5	0.35	1.5	0.75	0.8			0.35
20	0.75		1.5	0.35	1.5	0.85	0.8	0.85		0.85
21	0.85	0.35	1.5	0.85	2.5	1.75	1.5		0.75	0.85
22	0.85	0.75	1.5	0.35	2.5	0.85	1.5	0.35		0.85
23			0.8		2.5	0.85	1.5			0.75
24			0.7		1.5	0.35	0.7			
25			0.8		1.5	0.85	0.7			
26	0.35		0.8	0.35	2.5	1.75	0.8			0.75
27					0.8					
40	0.85		1.5	0.85	2.5	1.75	0.8			0.85
41	0.35		1.5	0.75	1.5	1.75	0.8			0.35
42	0.85		1.5	0.75	1.5	1.75	0.8			0.85
43	0.75		0.8	0.35	2.5	0.85	0.8			0.35
44	0.75		0.8	0.75	1.5	0.75	0.8	0.35	0.35	0.85
45	0.75		1.5	0.75	2.5	0.85	0.8			0.75
99										

* Motorcycle and Miscellaneous Classes

CAR | **Rules of Operation**
Rule 29 | **Assignment Process**
Revision Date | **2011.12.19**
Page | **10 of 12**

The following factors are applicable for policies with effective dates of April 1, 2012 and subsequent.

Operator Class										
Territory	10	15	17	18	20	21	25	26	30	M/M*
01					<u>1.00</u>					
02					<u>1.00</u>					
03					<u>1.00</u>					
04					<u>1.00</u>					
05			<u>1.00</u>		<u>1.00</u>	<u>1.00</u>				
06					<u>1.00</u>					
07			<u>1.00</u>		<u>1.25</u>	<u>1.00</u>				
08			<u>1.00</u>		<u>1.25</u>					
09			<u>1.00</u>		<u>1.25</u>	<u>1.00</u>	<u>1.00</u>			
10			<u>1.00</u>		<u>1.25</u>	<u>1.00</u>				
11			<u>1.00</u>		<u>1.25</u>	<u>1.00</u>	<u>1.00</u>			
12			<u>1.00</u>		<u>1.25</u>	<u>1.00</u>	<u>1.00</u>			
13			<u>1.00</u>		<u>1.50</u>	<u>1.00</u>	<u>1.00</u>			<u>1.00</u>
14			<u>1.00</u>		<u>1.25</u>	<u>1.00</u>	<u>1.00</u>			<u>1.00</u>
15	<u>1.00</u>		<u>1.00</u>	<u>1.00</u>	<u>1.75</u>	<u>1.00</u>	<u>1.00</u>			<u>1.00</u>
16	<u>1.00</u>		<u>1.25</u>	<u>1.00</u>	<u>2.25</u>	<u>1.00</u>	<u>1.50</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
17			<u>1.00</u>		<u>1.25</u>		<u>1.00</u>			
18	<u>1.00</u>		<u>1.25</u>		<u>1.75</u>	<u>1.00</u>	<u>1.00</u>		<u>1.00</u>	<u>1.00</u>
19			<u>1.00</u>	<u>1.00</u>	<u>1.75</u>	<u>1.00</u>	<u>1.00</u>			<u>1.00</u>
20	<u>1.00</u>		<u>1.00</u>	<u>1.00</u>	<u>1.75</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>		<u>1.00</u>
21	<u>1.00</u>	<u>1.00</u>	<u>1.25</u>	<u>1.00</u>	<u>2.00</u>	<u>1.00</u>	<u>1.00</u>		<u>1.00</u>	<u>1.00</u>
22	<u>1.00</u>	<u>1.00</u>	<u>1.25</u>	<u>1.00</u>	<u>2.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>		<u>1.00</u>
23			<u>1.00</u>		<u>2.00</u>	<u>1.00</u>	<u>1.00</u>			<u>1.00</u>
24			<u>1.00</u>		<u>1.25</u>	<u>1.00</u>	<u>1.00</u>			
25			<u>1.00</u>		<u>1.25</u>	<u>1.00</u>	<u>1.00</u>			
26	<u>1.00</u>		<u>1.00</u>	<u>1.00</u>	<u>2.00</u>	<u>1.00</u>	<u>1.00</u>			<u>1.00</u>
27					<u>1.00</u>					
40	<u>1.00</u>		<u>1.25</u>	<u>1.00</u>	<u>2.50</u>	<u>1.50</u>	<u>1.00</u>			<u>1.00</u>
41	<u>1.00</u>		<u>1.00</u>	<u>1.00</u>	<u>1.50</u>	<u>1.00</u>	<u>1.00</u>			<u>1.00</u>
42	<u>1.00</u>		<u>1.25</u>	<u>1.00</u>	<u>1.75</u>	<u>1.25</u>	<u>1.00</u>			<u>1.00</u>
43	<u>1.00</u>		<u>1.00</u>	<u>1.00</u>	<u>2.00</u>	<u>1.00</u>	<u>1.00</u>			<u>1.00</u>
44	<u>1.00</u>		<u>1.00</u>	<u>1.00</u>	<u>1.50</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
45	<u>1.00</u>		<u>1.25</u>	<u>1.00</u>	<u>2.00</u>	<u>1.00</u>	<u>1.00</u>		<u>1.00</u>	<u>1.00</u>
99										

* Motorcycle and Miscellaneous Classes

CAR | **Rules of Operation**
Rule 29 | **Assignment Process**
Revision Date | **2011.12.19**
Page | **11 of 12**

43. Take-Out Credit

For policies with effective dates on or after April 1, 2009, a Member shall receive credit for each exposure previously insured through the MAIP or that had been ceded to CAR (CAR ID Codes 4 and 5) that it writes voluntarily at the expiration of that policy. A Member may receive a credit for the first year in which an Eligible Risk is written voluntarily after the expiration of the policy previously issued through the residual market.

The value of a take-out credit shall equal the annual Private Passenger Motor Vehicle MAIP premium pursuant to Section B.1.b. ~~above~~, that the risk would have been charged if he had been insured through the MAIP, multiplied by a factor of 1.0. Take-out credits are applied in addition to any voluntary credit(s) pursuant to Section E.~~2.~~ ~~above~~.

To qualify for take-out credit, all of the following requirements must be met:

- a. The Member must provide proper notification prior to the expiration of the policy;
- b. The voluntary policy must be in effect for at least 90 days;
- c. The kinds and amounts of coverage to be offered to a voluntary risk shall at least equal those in the policy being replaced;
- d. The Member shall be required to submit an approved monthly reporting form to the MAIP for all policies qualifying for credit during the month and to submit supporting data to the MAIP upon request; and
- e. The Member shall, if requested by the MAIP, agree to a physical audit of its records to substantiate the credits and exposures stated in the monthly report. The executed request for credit form must be submitted to the MAIP by the last day of the fourth month following the effective date of the policy.

CAR Rule 29 Revision Date Page	Rules of Operation Assignment Process 2011.12.19 12 of 12
---	--

F. Distribution Restrictions

Distribution shall be made on the basis that any applicant eligible for assignment under the MAIP Rules shall be assigned or reassigned to any Member with a Quota Share, subject to the following restrictions:

1. No risk shall be assigned to more than one Member.
2. Reassignment to Prior Member

In the case where an applicant or policyholder has been cancelled for non-payment of premium, or has an outstanding premium balance due a Member and is otherwise eligible for placement through the MAIP pursuant to G.L. c. 175, § 113H, the applicant or policyholder is ineligible for assignment to another Member, and will be assigned to that same Member such that the policy premium deposit will be applied first to the outstanding premium due, and any remaining deposit balance will be applied to the new policy.

G. Accruing, Buying, Selling or Transferring Credits

1. Eligibility
 - a. Assigned Risk Companies may accrue excess credits.
 - b. As of April 1, 2008, ARCs may sell, transfer, or buy excess credits to or from other ARCs in accordance with the procedures below.

2. Operational Procedures

CAR will calculate the volume of excess credit premium eligible for transfer, if any, for each ARC on a monthly basis. Such calculation will be made in conjunction with updates to the statistical base data.

3. Notification of Intent to Transfer Credits

Assigned Risk Companies shall report to CAR within 30 days the execution of any agreement by the ARC to purchase, sell or transfer excess credits. An ARC shall notify CAR by submitting the prescribed authorization form to CAR. The terms of any such agreement must be reviewed by CAR and found to be consistent with CAR Rules.