



COMMONWEALTH AUTOMOBILE REINSURERS

225 Franklin Street Boston, Massachusetts 02110

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RALPH A. IANNACO
PRESIDENT

NOTICE OF MEETING

MAIP STEERING COMMITTEE

A meeting of the MAIP Steering Committee will be held at the offices of Commonwealth Automobile Reinsurers, 225 Franklin Street, Boston, on

THURSDAY, JUNE 17, 2010 AT 10:00 A.M.

MEMBERS OF THE COMMITTEE

Mr. William J. Cahill, Jr. – Chairman
The Hanover Insurance Company

Mr. Paolo V. Abelli
Mr. Joseph F. Cofield
Ms. Karen A. Cora
Mr. Robert J. Cordner
Mr. William F. Hofmann, III
Mr. Richard P. Jones
Mr. John V. Kelly
Mr. Edward N. Patrick, Jr.
Ms. Susan K. Scott
Mr. Joseph A. Vargas

Liberty Mutual Group
Metropolitan P&C Insurance Company
Deland Gibson Insurance Associates, Inc.
OneBeacon Insurance
Provider Insurance Group, Inc.
Leslie S. Ray Insurance Agency, Inc.
The Commerce Insurance Company
Safety Insurance Company
The Premier Insurance Company of Mass.
Vargas & Vargas Insurance

AGENDA

MSC

10.01 Records of Previous Meeting

The Records of the MAIP Steering Committee meeting of May 18, 2010 should be read and approved.

MSC

10.08 Rule 30 – Assigned Risk Company Requirements

The Committee should be prepared to consider an amendment to eliminate the sunset provision found in Rule 30.C.1.d. relating to Assigned Risk Company (ARC) obligations to the producer of record on business removed from the MAIP and written voluntarily. Draft Rule language is included for the Committee's consideration. (Docket #MSC10.08, Exhibit #3)

Other Business

To transact any other business that may properly come before this Committee.

Executive Session

The MAIP Steering Committee may convene in Executive Session in accordance with the provisions of G.L. c. 30A, § 11A1/2.

PAMELA WALLACE
Vice President – Residual Market Services

Attachment

Boston, Massachusetts
June 7, 2010

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C. Procedures for Voluntary Writing of Risks from the MAIP

1. Voluntary Writing by an ARC of Its Own Policyholder Insured through the MAIP.

a. Eligibility

A risk is eligible if it is currently insured through the MAIP.

b. Offer to Write

The kinds and amounts of coverage to be offered for such voluntary risks shall not be less than those afforded by the policy being replaced unless the insured refuses such kinds and amounts of coverage.

c. Notification to the Producer of Record

The producer of record must be mailed notification of such offer ninety (90) days prior to expiration, which shall contain the premium quotation to be offered. The policyholder shall be mailed the offer for voluntary coverage forty-five (45) days prior to expiration with copy to the producer of record.

Following such offer to write, the ARC shall have no further obligations to the policyholder or to the producer of record if the policyholder obtains replacement insurance from another Member.

If such replacement coverage is obtained by the producer of record within the period of his or her forty-five (45) day advance notice, the producer of record shall notify the assigned ARC and it shall not make an offer to the policyholder.

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d. ARC Obligations to the Producer of Record

An ARC may choose, ~~during the period from April 1, 2008 through March 31, 2011,~~ to offer voluntary coverage to a policyholder it has insured through the MAIP. Once the ARC mails the offer to write voluntary coverage and the policyholder accepts the offer, ~~during that period~~ the policyholder's producer of record shall continue to represent the policyholder who has been written or renewed in the voluntary market and to service the policy unless: 1) the producer is decertified or suspended by the MAIP or the Commissioner of Insurance pursuant to Rule 31.B; 2) the insured chooses to terminate such producer as its producer of record; or 3) the producer of record is precluded from dealing with other companies by contract. ~~During the period from April 1, 2008 through March 31, 2011, an~~ An ARC who ~~subsequently~~ writes a policy on a voluntary basis that it previously insured through the MAIP shall pay a commission in accordance with its commission structure for business written in the voluntary market at voluntary rates, regardless of whether there is a contract between the ARC and the producer of record. No commission payments shall be made to the producer of record if that producer is decertified or suspended under Rule 31.B, is terminated by the policyholder as its producer of record, or is precluded from dealing with other companies by contract.

~~On and after April 1, 2011, the ARC shall have no further obligation to the producer of record unless there is a contract between the licensed producer and the ARC. However, the ARC shall have the option of servicing the policy through the producer of record.~~

2. Voluntary Writing of Present MAIP Insured by Member Other Than the ARC

a. Eligibility

A risk is eligible if it is currently insured through the MAIP.

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b. Offer to Write

The kinds and amounts of coverage to be offered for such voluntary risks shall not be less than those afforded by the policy being replaced unless such kinds and amounts of coverage are refused by the insured.

3. Right of Insured to Reapply to Plan

Nothing in the provisions of this Section shall render the policyholder ineligible for coverage in the MAIP for the full term of the three (3) year assignment period. Subject to the right to reassignment pursuant to Rule 26.A.2., the policyholder may, at his or her option, continue the policy with the ARC as a MAIP risk if the three (3) year assignment period has not yet expired.

D. Failure to Comply with the Provisions of this Section

If the Governing Committee finds that any Member without good cause is not complying with the provisions of this section it shall notify the Commissioner in writing.

E. Reporting Credits

Refer to the Manual of Administrative Procedures for the procedure outlining the reporting of all credits.