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## BULLETIN NO. 1207

### Correction to MAIP Motorcycle Underinsured Motorists Rates Effective July 1, 2025

AIB Private Passenger Notice No. PP-151 issued October 16, 2025 notified Members of the correction to the private passenger motorcycle underinsured motorists (U2) advisory rates. Because these rates were adopted, with adjustment, by CAR for MAIP rates effective July 1, 2025 (SERFF Tracking Number CAR-134311007), the MAIP motorcycle rates currently on file also require correction. Accordingly, the Division of Insurance has placed on file corrected MAIP rate pages. The correction impacts only new MAIP assignments and renewal MAIP policies with effective dates July 1, 2025 and subsequent that include motorcycles with underinsured motorists coverage in excess of 25/50 limits. The corrected rate pages are available on the MAIP portion of CAR's website.

Assigned Risk Companies may need to return premium to a MAIP risk depending upon the result of the comparison of the MAIP policy premium to the company voluntary policy premium at policy inception. The following scenarios describe the needed corrective action under possible voluntary rate comparison outcomes.

#### If the Assigned Risk Company's voluntary rate is not impacted by the correction to the advisory rate, then:

1. If the ARC's voluntary premium was originally used, reevaluate the voluntary rate comparison using the revised MAIP rates, and
  - a. If the voluntary premium remains lower than the revised MAIP premium, no further action is required, else
  - b. If the voluntary premium is higher than the revised MAIP premium, re-rate the policy using the revised MAIP rate to the policy effective date and refund the difference in premium.
2. If the MAIP premium was originally used, re-rate the policy using the revised MAIP rate to the policy effective date and refund the difference in premium. Note that there is no need to reevaluate the voluntary rate comparison in this case.

#### If the Assigned Risk Company's voluntary rate is impacted by the correction to the advisory rate, then:

1. If the ARC's voluntary premium was originally used, reevaluate the voluntary rate comparison using the revised voluntary rate and the revised MAIP premium, and
  - a. If the revised voluntary premium remains lower than the revised MAIP premium, re-rate the policy using the revised voluntary rate to the policy effective date and refund the difference in premium, else

- b. If the revised voluntary premium is higher than the revised MAIP premium, re-rate the policy using the revised MAIP rate to the policy effective date and refund the difference in premium.
2. If the MAIP premium was originally used, reevaluate the voluntary rate comparison using the revised MAIP rate and the revised voluntary premium, and
  - a. If the revised MAIP premium remains lower than the revised voluntary premium, re-rate the policy using the revised MAIP rate to the policy effective date and refund the difference in premium, else
  - b. If the revised MAIP premium is higher than the revised voluntary premium, re-rate the policy using the revised voluntary rate to the policy effective date and refund the difference in premium.

CAR recommends that all affected MAIP policies be re-rated/re-written back to the effective date if impacted by the change in either the MAIP or voluntary motorcycle underinsured motorist coverage to ensure that all policy changes occurring since the effective date, as well as those in the future, are calculated with the correct rate. Additionally, the Division of Insurance has indicated that carriers may be flexible with how affected insureds are made whole, including reductions to prospective premiums or refunds of past premiums. However, if a risk has been overcharged, the insured must be given the option to receive direct reimbursement of the premium collected in error. Refer to AIB Notice PP-151 for additional direction with respect to required action for companies with affected insureds.

CAR will distribute an Accounting and Statistical Notice in the near future that will provide instructions related to the statistical reporting of refund transactions. Questions regarding the update to the private passenger residual market motorcycle rates should be directed to [ActStatDept@commauto.com](mailto:ActStatDept@commauto.com).

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