



COMMONWEALTH AUTOMOBILE REINSURERS

225 Franklin Street Boston, Massachusetts 02110

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RALPH A. IANACO
PRESIDENT

November 15, 2007

BULLETIN NO. 854

PROPOSED CHANGES TO RULES OF OPERATION

Rule 22 - Definitions

Rule 29 – Assignment Process

At its meeting of November 14, 2007, the Governing Committee voted to amend Rules 22 and 29 by deleting and adding the language as indicated on the attached copy. A copy of the Filing Letter, which contains an explanation of these Rule changes, is attached for your information.

This Bulletin, with a copy of the proposed changes to Rules 22 and 29, is being furnished to every Member Company as required in Article X of the Plan of Operation. Any Member Company may request a public hearing within five days of receipt of this Bulletin and Filing Letter, as provided by Article X of the Plan of Operation.

A proposed Rule shall become effective upon the written approval of the Commissioner or upon the expiration of thirty days after filing, providing the Commissioner has not previously disapproved the Rule in writing.

JOSEPH J. MAHER, JR.

Vice President, General Counsel & Secretary

Attachments



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RALPH A. IANNACO
PRESIDENT

November 15, 2007

Honorable Nonnie S. Burnes
Commissioner of Insurance
Massachusetts Division of Insurance
One South Station
Boston, MA 02110-2208

Dear Commissioner Burnes:

Rules of Operation

Rule 22 – Definitions

Rule 29 – Assignment Process

In accordance with the provisions of Article X of the Plan of Operation, I hereby file, at the request of the Governing Committee, the attached amendments to Rules 22 and 29 of CAR's Rules of Operation.

The attached amendments change Rules 22 and 29 by deleting and adding the language as indicated on the attached copy.

The remainder of Rules 22 and 29 is unchanged.

Explanation

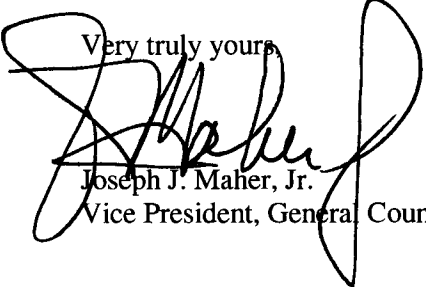
The proposed amendment to Rule 22:

- Adds the definition of Newly Writing Company.

The proposed amendments to Rule 29:

- Maintain consistent calculations with the current rule but use exposures and average premium relativity factors to weight assigned risks, reflecting the quality of each risk.
- Provide that these factors are based on MAIP base rates for all coverages combined and will be calculated and published by CAR staff as new rates are approved.
- Provide for newly writing companies and also provide an off balancing of exposures to ensure 100% distribution of assigned risks.
- Contain a provision for business written through group marketing plans such that all MAIP eligible retained exposures written under a group marketing plan pursuant to G.L. c. 175, § 193R that would otherwise have been rejected in the voluntary market (reported as CAR ID Code 7) be excluded from the determination of voluntary market share, and shall not be eligible for credit, provided that:
 - the carrier provides documentation that it has obtained 100% reinsurance from a non-affiliated company,
 - the percentage of the carrier's total MAIP eligible group marketed exposures that it has reported as CAR Identification Code 7 does not exceed the industry MAIP market share, and
 - the carrier certifies that the retained risks do not meet its underwriting criteria.

A copy of the proposed amendments to Rules 22 and 29 is attached hereto, and is being furnished to every Member Company, the two associations of insurance producers, and the Public Protection Division of the Office of the Attorney General, as required by Article X of the Plan of Operation.

Very truly yours,

Joseph J. Maher, Jr.
Vice President, General Counsel & Secretary

JJM:kat

Attachment: Rule 22 – Definitions
Rule 29 – Assignment Process

cc: Exclusive Representative Producers of Massachusetts, Inc.
Massachusetts Association of Insurance Agents
Public Protection Division – Office of the Attorney General

Rule 22 – Definitions

When used in the Rules, the following terms shall have the stated meanings:

ASSIGNED RISK COMPANY (ARC) means a Member that has been appointed pursuant to the Plan and Rules of Operation to issue private passenger motor vehicle insurance policies assigned by the MAIP and, for the purposes of the MAIP, is a servicing carrier as this term is used in G.L. c. 175, § 113H.

ASSIGNED RISK POLICY means a private passenger motor vehicle insurance policy underwritten by an ARC or a LADC pursuant to assignment by the MAIP.

ASSIGNED RISK PRODUCER (ARP) means any person licensed as a property and casualty insurance producer pursuant to G.L. c. 175, §162H to §162X inclusive, that has completed the MAIP requirements and has been certified by the Governing Committee or its designee to immediately submit motor vehicle insurance policies for placement through the MAIP with an ARC.

CAR means Commonwealth Automobile Reinsurers.

CAR (car) YEAR OF EXPOSURE means one car insured for twelve (12) months.

CLEAN-IN-THREE RISK means an Eligible Risk who is the named insured and any other person who usually operates the vehicle, who during the three (3) successive years prior to the policy effective date, meets all of the following requirements:

- (1) has been licensed to operate an automobile in Massachusetts at least thirty-six (36) successive months prior to the effective date of the policy;
- (2) has been continuously insured for the past thirty-six (36) months prior to the effective date of the policy, with no more than one period of lapsed coverage and where such period was not in excess of sixty (60) days;
- (3) has not been found to be at fault for an accident that generated an insurance claim including a PIP claim, or a traffic violation as defined in the Safe Driver Insurance Plan (S.D.I.P.) in the thirty-six (36) months immediately prior to the effective date of the policy; and
- (4) In the previous sixty (60) successive months prior to the effective date of the policy has not had a DUI conviction or a conviction for a vehicular felony, as defined in the Safe Driver Insurance Plan.

COMMISSIONER means the Commissioner of Insurance of Massachusetts.

ELIGIBLE RISK means any person who qualifies for a private passenger motor vehicle insurance policy under the provisions of G.L. c.175, §113H excluding antique motor vehicles pursuant to G.L. c.175, §113U.

GOVERNING COMMITTEE means the committee required by G.L. c. 175, §113H(B).

HOUSEHOLD MEMBER means anyone living in a person's household who is related to that person by blood, marriage, or adoption. This includes wards, stepchildren or foster children.

INACTIVE MEMBER means any insurer which is licensed to write motor vehicle insurance policies or bonds in Massachusetts, but which did not, in fact, issue any motor vehicle insurance policies or bonds in Massachusetts during the most recent calendar year and which is not the issuing company on any outstanding Massachusetts motor vehicle insurance policies or bonds.

LIMITED ASSIGNMENT DISTRIBUTION COMPANY (LADC) means an insurer which is licensed to write motor vehicle insurance policies or bonds in Massachusetts that has been approved pursuant to the Rules of Operation to enter into an agreement with a Member that has been appointed as an ARC for the purpose of servicing that Member's quota share of MAIP business.

MAIP means the Massachusetts Automobile Insurance Plan. The MAIP is the mechanism by which eligible risks who are unable to obtain voluntary coverage are assigned to a Member for the purpose of obtaining private passenger motor vehicle insurance coverage, and by which such risks are distributed equitably based upon each Member's quota share.

MANUAL OF ADMINISTRATIVE PROCEDURES (MAP) means the CAR Manual of Administrative Procedures of the MAIP.

MEMBER means any insurer which is licensed to write motor vehicle insurance policies or bonds in Massachusetts and which does not qualify for inactive membership status. Groups of companies under the same ownership and/or management will be treated as a single Member. A LADC that functions exclusively as an LADC is not a Member.

MOTOR VEHICLE INSURANCE means direct insurance against injury or damage, including the legal liability arising out of the ownership, operation, maintenance or use of motor vehicles, including but not limited to bodily injury liability insurance, personal injury protection insurance, property damage liability insurance, physical damage insurance, medical payments insurance, uninsured/underinsured motorists insurance and towing and labor insurance.

NEW BUSINESS for the private passenger motor vehicle insurance market means : 1 a newly licensed driver applying for his or her own policy; or 2) a risk applying to a

Member who has not been insured in the Commonwealth in the twelve (12) months preceding the application for coverage. This definition will expire upon the completion of the transition as contemplated in Rule 21 from CAR to the MAIP.

NEWLY WRITING COMPANY means any member which did not write physical damage and/or liability coverage for private passenger motor vehicles in the Commonwealth of Massachusetts in the prior year.

PERSON means every natural person, firm, partnership, association, corporation, government or agency.

PLAN OF OPERATION or PLAN means the CAR Plan of Operation.

PRIVATE PASSENGER MOTOR VEHICLE means those vehicles as defined in the Massachusetts Private Passenger Automobile Insurance Manual published by the Automobile Insurers Bureau in Massachusetts.

QUOTA SHARE means the volume of business to be assigned to a Member participating as an ARC in the MAIP.

RULES OF OPERATION or RULES or RULE means the CAR Rules of Operation of the MAIP or a Rule of the MAIP.

Rule 29 – Assignment Process

A. Limited Assignment Distribution Procedure

A Member may delegate its ARC responsibilities if the Member executes an agreement with a Limited Assignment Distribution Company (LADC) to service its quota share and to receive additional assignments of the Member's assigned risk business. Nothing in these Rules shall be construed to relieve a Member of its responsibility of ensuring that any LADC with which it has a contract to service its private passenger motor vehicle insurance risks complies with all CAR Rules, state laws and regulations. If at any time a LADC fails to maintain these requirements, the Governing Committee or the Commissioner may move to terminate the LADC.

~~B. 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 company's written exposures for the twelve month period ending June 30, 2007 with CAR ID codes 0 or 1 over the industry written exposures for the twelve month period ending June 30, 2007 with CAR ID 0 or 1.~~

B. Calculation of Quota Share

1. Calculate Voluntary Market Share

- a. Until April 1, 2009, a Member's quota share will be based upon its voluntary market share as follows:

(1) Determine Voluntary Exposures to be used in Quota Share Calculation

For each Member and for the industry, written property damage liability exposures shall be summarized for the following CAR Identification Codes for the twelve (12) policy effective months ending June 30, 2007:

<u>CAR Identification Code</u>	<u>Description</u>
<u>0</u>	<u>Voluntary written exposures from voluntary producers or written directly by the company</u>
<u>1</u>	<u>Voluntary written exposures from Exclusive Representative Producers with whom the company has no voluntary relationship</u>

Note that all exposures (CAR Identification Codes 0 and 1) for Antique Vehicles (Classification Code 0483) shall be excluded from the quota share calculation.

(2) Determine Exposure Adjustments

For the following Miscellaneous Rated as Private Passenger classifications, exposures used in the calculation of the quota share will be adjusted by the following factor:

<u>Classification Code</u>	<u>Classification Description</u>	<u>Adjustment Factor</u>
<u>0400</u>	<u>Electric Cars</u>	<u>.33</u>
<u>0426</u>	<u>Snowmobiles</u>	<u>.33</u>
<u>0408-0431</u> <u>0508-0531</u> <u>0608-0631</u>	<u>Motorcycles</u>	<u>.33</u>

(3) Determine Each Member's Voluntary Market Share

A Member's voluntary market share shall be the ratio of its written property damage liability exposures for CAR Identification Codes 0 and 1 (as accumulated in B.1.a.(1) above and as adjusted in B.1.a.(2) above) to the industry written property damage liability exposures for CAR Identification Codes 0 and 1, as accumulated in B.1.a. (1) above and as adjusted in B.1.a.(2) above.

(4) Include Newly Writing Companies in Quota Share

Exposures from newly writing companies will be included in the quota share determination upon identification that the company has written private passenger automobile insurance in Massachusetts. A newly writing company's voluntary market share shall be determined as the ratio of the underlying written property damage liability exposures for CAR Identification Codes 0 and 1 to the industry exposures as determined in B.1.a.(1) and as adjusted in B.1.a.(2) above.

To the extent that the inclusion of a newly writing company's voluntary market share causes the sum of the industry's voluntary market shares to differ from unity, an off-balance factor will be applied to all other companies' ratios such that the sum becomes unity.

- b. Beginning on April 1, 2009 and going forward, voluntary market share exposures used to develop a Member's quota share will reflect a twelve (12)-month rolling total as defined by the number of private passenger property damage liability car years of exposure written by the company for the most recent twelve (12) policy effective months.

(1) Determine Voluntary Exposures to be used in Quota Share Calculation

For each Member and for the industry, written property damage liability exposures will be summarized for the following CAR Identification Codes.

<u>CAR Identification Code</u>	<u>Description</u>
<u>0</u>	<u>Voluntary written exposures from voluntary producers or written directly by the company</u>
<u>1</u>	<u>Voluntary written exposures from Exclusive Representative Producers with whom the company has no voluntary relationship</u>
<u>8</u>	<u>MAIP eligible business retained as voluntary</u>

All exposures (CAR Identification Codes 0, 1 and 8) for Antique Vehicles (Classification Code 0483) shall be excluded from the quota share calculation.

All MAIP eligible retained exposures written under a group marketing plan pursuant to G.L. c. 175 §193R that would otherwise have been rejected in the voluntary market (CAR Identification Code 7) shall be excluded from the determination of voluntary market share provided that:

- (a) the carrier provides documentation that it has obtained 100% reinsurance for this business from a non-affiliated company,
- (b) the percentage of the carrier's total MAIP eligible group marketed exposures that the carrier has reported as CAR Identification Code 7 does not exceed the industry MAIP market share, and
- (c) the carrier certifies that the retained risks do not meet its underwriting criteria.

In the event that the percentage of the carrier's total MAIP eligible group marketed exposures that the carrier has reported as CAR Identification Code 7 exceeds the industry MAIP market share, the excess exposures will be added to the carrier's voluntary exposures to be used in its quota share calculation.

(2) Determine Exposure Adjustments

For the following Miscellaneous Rated as Private Passenger classifications, exposures used in the calculation of the quota share will be adjusted by the following factor:

<u>Classification Code</u>	<u>Classification Description</u>	<u>Adjustment Factor</u>
0400	Electric Cars	.33
0426	Snowmobiles	.33
0408-0431 0508-0531 0608-0631	Motorcycles	.33

(3) Include Newly Writing Companies in Quota Share

Exposures from newly writing companies will be included in the quota share determination upon identification that the company has written private passenger automobile insurance in Massachusetts.

(4) Determine Each Member's Voluntary Market Share

A Member's voluntary market share shall be the ratio of its written property damage liability exposures for CAR Identification Codes 0, 1 and 8 to the industry written property damage liability exposures for CAR Identification Codes 0, 1 and 8 as accumulated in B.1.b.(1), B.1.b.(2) and B.1.b.(3) above.

2. Calculate Off-Balanced Weighted MAIP Exposures

MAIP exposures shall include data from the sources noted in B.2.a and B.2.b below, adjusted by calculated relativity factors as noted in B.2.c below and the resulting exposure totals off-balanced as noted in B.2.d below.

a. Statistically Reported Exposure

Commencing with policies effective April 1, 2008, MAIP exposures for each Member and for the industry will be accumulated on a monthly basis. For policies effective April 1, 2008 and subsequent, accumulate written property damage liability exposures (CAR Identification Code 9) for the twelve (12) most recent policy effective months on a rolling twelve (12) month basis and sort by rate effective year, classification and territory.

b. Exposure from Assigned MAIP Policies

Accumulate exposure for assigned MAIP risks from section C below, with policy effective dates subsequent to the twelve (12) month rolling total.

c. Exposures accumulated in B.2.a and B.2.b above will be weighted by relativity factors as calculated by CAR. These factors will be calculated

using MAIP base rates by classification and territory for all coverages combined and reflect a weighted average of the standard and compulsory packages. The relativity factors will be updated upon approval of new MAIP rates.

- d. An off-balance factor will be applied to each company's weighted MAIP exposures as determined in B.2.c. above to ensure that the industry weighted MAIP exposures is equal to the total assigned exposures as accumulated in B.2.a and B.2.b above.

3. Accumulate Credits

Commencing with policies effective April 1, 2008, credit exposures for each Member and for the industry will be accumulated. In accordance with F.1 below, accumulate credits using statistically reported exposures for MAIP eligible business that is retained as voluntary (CAR Identification Code 8) for the twelve (12) most recent policy effective months on a rolling twelve (12) month total basis.

MAIP eligible retained exposures written under a group marketing plan pursuant to G.L. c. 175 §193R that would otherwise have been rejected in the voluntary market (CAR Identification Code 7) shall not be eligible for credit.

4. Calculate Credit-Adjusted MAIP Exposure Quota

a. Pre-Credit Ought-to-Have MAIP Exposures

Calculate the Member's pre-credit ought-to-have quota share of MAIP exposures by multiplying the company's voluntary market share as calculated in B.1 above by the sum of the industry's off-balanced weighted MAIP exposures as calculated in B.2 above and the industry's credits as calculated in B.3 above.

b. Post-Credit Ought-to-Have MAIP Exposures

Calculate the Member's post-credit ought-to-have quota of MAIP exposures by subtracting the company's credits as calculated in B.3 above from the company's pre-credit ought-to-have MAIP exposures as calculated in B.4.a above. In no case shall a company's post-credit ought to have MAIP exposures be less than zero.

c. Post-Credit Quota Share

Calculate the Member's post-credit quota share by dividing the company's post-credit ought-to-have MAIP exposures by the industry post-credit ought-to-have MAIP exposures as calculated in B.4.b above.

d. Post-Credit MAIP Exposure Quota

Calculate the Member's post-credit MAIP exposure quota by multiplying the company's post-credit quota share as calculated in B.4.c above by the industry off-balanced weighted MAIP exposures as calculated in B.2 above.

5. Determine Assignment Order

a. Calculate Member's Over (Under) MAIP Exposures

Calculate the Member's over (under) MAIP exposures by subtracting the company's post-credit MAIP exposure quota as calculated in B.4.d above from the company's off-balanced weighted MAIP exposures as calculated in B.2 above.

b. Calculate Member's Percent of Ought-to-Have MAIP Exposures

Calculate the Member's percent of ought-to-have MAIP exposures by dividing the company's off-balanced weighted MAIP exposures as calculated in B.2 above by the company's post-credit MAIP exposure quota as calculated in B.4.d above.

~~C. 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 twelve (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.~~

~~b. "Private passenger motor vehicle MAIP premiums" shall mean the total of: 20/40 bodily injury (including guest), \$100,000 property damage liability, and \$8,000 personal injury protection manual premiums (excluding the Commissioner's subsidies) adjusted for SDIP points for private passenger motor vehicle MAIP insureds and any risk voluntarily insured that is eligible for premium credits allowed under this rule.~~

C. Assignment of Applications

For each randomly assigned risk, MAIP shall extract the rate effective year, rate classification and territory from the risk's application and shall determine the weighted MAIP exposures as specified in B.2.c. MAIP will assign applications to the most undersubscribed Member based on the results of B.5.b above. In the event that the results of B.5.b above are the same for two or more companies, CAR will assign the application to the most undersubscribed of those Members based on the results of B.5.a above. Distribution restrictions relative to the assignment process are identified in section G. below. After the assignment, CAR will accordingly update accumulated MAIP exposures in the quota share totals and recalculate each Member's quota share.

D. ~~Quota Share Adjustment~~ Base Data Update

The MAIP shall update the statistically reported exposure data monthly in order to reflect new and renewal business as well as endorsement, cancellation or coverage adjustments subsequent to assignment and to update for applicable credits. MAIP shall make any necessary adjustments for Members with late or incorrect statistical reportings. ~~adjust the assigned premium quota share of each ARC monthly, in order to correct for the amount of previously assigned MAIP premium which was less than or in excess of each ARC'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 ARC of its market share and quota share (premium) adjustments.~~

~~—Until July 1, 2008, the premium quota share of each ARC shall be based on the voluntary exposure market share described in B, above. Thereafter, monthly adjustments will be made to each ARC's premium based quota share to reflect the latest rolling twelve (12) month voluntary exposure based market share.~~

E. Assignment Period

An Eligible Risk shall be assigned to a designated ARC for a period of three (3) consecutive years. The designated ARC may offer to continue an Eligible Risk's

assignment beyond the period of three (3) consecutive years by offering to write a third or subsequent renewal.

If an Eligible Risk is unable to obtain insurance in the voluntary market at the end of the consecutive three (3) year period, ~~notwithstanding CAR's obligations under Rule 26A to notify all Members of the risk's information if requested to do so by such risk as provided for in Rule 26.A,~~ or is unable to obtain an extension by the designated ARC or LADC, reapplication for coverage may be made to the MAIP. Such reapplication shall be considered a new application, ~~and the Eligible Risk shall be assigned to a different ARC or LADC than previously designated.~~

In the case of nonresident military personnel, as described under 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.

F.E. Credit Programs

All credits for each rate year shall be reviewed at least annually and submitted to the Commissioner for his/her approval. ~~Any premium credited under this Rule that in aggregate exceeds one hundred percent (100%) of the overall quota may not be credited against the quota.~~

1. Voluntary Credit

Each Member shall receive credit for voluntarily writing private passenger business within the territories and classifications that would otherwise be disproportionately represented in the MAIP. The amount of credit shall be equal to the voluntary property damage liability exposures for each territory/classification combination multiplied by the factor shown below.

~~a. Each Member shall receive a credit for each policy presently in the MAIP that it voluntarily writes at the policy's expiration date, through the producer of record or through the Member's own producer.~~

~~b. Each Member shall receive a credit for each policy voluntarily insured in the territory and operator classes listed under section F.2 below.~~

~~c. Credit shall be applied to the Member's quota share in Rule 29.D for the appropriate premiums as defined under section F.2 below.~~

~~a. Any person insured through the MAIP may request the MAIP to make known to all Members that he is seeking coverage on a voluntary basis consistent with Rule 26.A.1.b.~~

~~b. Each Member shall receive a credit for each policy presently in the MAIP that it voluntarily writes at the policy's expiration date, through the producer of record or through the Member's own producer.~~

~~c. Each Member shall receive a credit for each policy voluntarily insured in the territory and operator classes listed under section F.2 below.~~

~~d. Credit shall be applied to the Member's quota share in Rule 29.D for the appropriate premiums as defined under section F.2 below.~~

~~2. Amount of Credits~~

~~The amount of credit for rate year 2008 will be as follows:~~

~~One hundred percent (100%) of the annual private passenger MAIP premiums defined in C.1.b. that would have been charged if the risk had been written through the MAIP for any of the following risks. No more than one such credit can be issued.~~

~~a. Inexperienced Operator: Designated inexperienced operator classes having a higher proportion of MAIP risks. The MAIP shall at least annually circulate to Members a list of the inexperienced operator classes for credit;~~

~~b. Senior Citizen: Any operator of the auto aged sixty five (65) or over residing in the household; or~~

~~c. Territorial: Designated rating territories having a higher proportion of MAIP risks. The MAIP shall at least annually circulate to Members a list of the rating territories qualifying for territorial credit.~~

~~—The initial listing of credit eligible operator classes and rating territories are indicated by an 'X' in the table below:~~

Credit Factors														
Rate Class	10	10	10	10	15	17	17	17	17	18	18	18	30	
Statistical Class	10	20 40	22 42	24 26	15 16	10	15 16	22 42	24 26	10 15 16	20 40	24 26	30	
Territory	1	0.0	0.6	1.1	0.7	0.1	0.0	0.0	0.3	0.0	0.4	0.3	0.0	0.0
	2	0.0	0.4	1.6	0.9	0.0	0.0	0.0	0.2	0.0	0.0	0.1	0.0	0.0
	3	0.0	0.5	1.5	0.7	0.0	0.0	0.0	0.4	0.0	0.7	0.0	0.0	0.0
	4	0.0	0.6	1.5	0.9	0.0	0.0	0.0	0.4	0.0	0.0	0.1	0.0	0.0
	5	0.0	0.9	1.6	0.8	0.0	0.1	0.0	0.3	0.0	0.3	0.0	0.0	0.0
	6	0.0	0.8	1.6	1.0	0.0	0.0	0.0	0.4	0.0	0.0	0.2	0.0	0.0
	7	0.0	0.8	1.6	0.8	0.0	0.0	0.0	0.5	0.0	0.1	0.1	0.0	0.0
	8	0.0	0.6	1.6	0.9	0.0	0.0	0.0	0.5	0.0	0.1	0.2	0.0	0.0
	9	0.0	0.4	1.7	0.6	0.0	0.0	0.0	0.3	0.0	0.3	0.0	0.0	0.0
	10	0.0	0.5	1.8	0.9	0.0	0.0	0.0	0.5	0.0	1.5	0.0	0.0	0.0
	11	0.0	0.7	1.3	0.7	0.1	0.3	0.0	0.5	0.0	0.0	0.5	0.0	0.0
	12	0.0	0.6	1.6	0.8	0.0	0.0	0.0	0.6	0.0	0.0	0.2	0.0	0.0
	13	0.0	1.1	1.4	1.0	0.0	0.1	0.0	0.6	0.0	0.5	0.4	0.0	0.0
	14	0.1	0.2	2.6	1.4	0.0	0.0	0.0	1.1	0.0	0.3	0.0	0.0	0.0
	15	0.1	1.9	2.5	1.7	0.0	0.4	0.0	2.4	0.4	0.1	1.0	0.2	0.0
	16	0.6	1.0	4.8	2.3	0.1	0.8	0.0	3.6	1.3	1.3	0.2	0.0	0.0
	17	0.0	0.0	2.3	0.4	0.1	0.0	0.0	1.5	0.0	1.3	0.0	0.0	0.0
	18	0.9	3.0	3.6	2.7	0.0	0.2	0.0	1.1	0.0	0.1	0.2	0.0	0.0
	19	0.2	0.7	3.1	1.1	0.3	0.1	0.0	2.7	0.0	0.1	0.1	0.0	0.0
	20	1.2	3.4	4.7	2.4	0.0	0.1	0.0	2.7	0.0	0.7	0.0	0.0	0.0
	21	1.4	1.8	5.5	3.5	0.5	2.0	0.1	5.6	2.9	0.8	1.1	1.6	0.0
	22	1.8	2.5	5.3	3.1	0.7	2.0	0.1	5.7	2.8	1.2	1.9	0.0	0.0
	23	0.0	0.2	1.5	0.6	0.4	0.9	0.0	1.3	0.0	0.2	0.0	0.0	0.0
	24	0.0	0.8	1.6	0.6	0.0	0.7	0.0	1.0	0.0	0.1	0.0	0.5	0.0
	25	0.1	0.3	1.9	0.8	0.0	0.9	0.0	1.7	0.0	2.1	0.0	0.0	0.0
26	0.2	2.2	3.7	1.1	0.1	0.5	0.0	2.6	1.0	0.2	0.0	0.6	0.0	
27	0.0	0.2	1.3	0.7	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	
40	0.2	1.1	1.8	2.1	0.1	0.0	0.0	0.7	0.0	1.5	0.0	0.0	0.0	
41	0.0	0.6	1.6	1.1	0.0	0.1	0.0	0.7	0.0	0.1	0.0	0.0	0.0	
42	0.2	0.7	2.1	1.4	0.0	0.9	0.0	0.9	1.1	0.1	0.7	0.0	0.0	
43	0.2	1.7	2.8	2.1	0.0	1.0	0.0	1.6	0.3	0.1	0.0	0.5	0.2	
44	0.4	0.7	2.8	1.2	0.0	1.3	0.0	2.0	0.8	0.7	1.0	0.0	0.0	
45	0.5	0.8	2.5	2.0	0.0	0.9	0.0	2.0	0.3	0.2	0.8	0.0	0.0	

Credit Factors (continued)															
Rate Class	20	20	20	20	21	21	21	25	25	25	25	26	26	26	
Statistical Class	10	15/16	22	24	10/15/16	20	24	10	15/16	26	42	10/15/16	26	40	
Territory	1	0.0	0.0	1.8	0.7	0.0	1.7	0.1	0.0	0.0	0.0	0.1	0.0	0.1	0.0
	2	0.0	0.0	2.3	0.4	0.9	1.1	0.0	0.0	0.0	0.0	0.4	0.6	0.0	0.0
	3	0.0	0.0	2.5	0.7	0.0	1.2	0.8	0.0	0.0	0.0	0.3	0.8	0.0	0.0
	4	0.0	0.0	4.0	1.5	0.0	1.9	0.3	0.0	0.0	0.0	0.2	0.0	0.0	0.1
	5	0.0	0.0	2.2	1.1	0.0	1.3	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.1
	6	0.0	0.0	2.2	0.3	0.0	3.0	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.3
	7	0.5	0.0	2.8	0.0	0.0	2.8	0.4	0.0	0.0	0.0	0.5	0.0	0.0	0.3
	8	0.0	0.0	3.9	0.6	0.0	1.6	2.0	0.5	0.0	0.0	0.2	0.0	0.0	0.0
	9	0.0	0.0	2.8	0.9	0.0	2.5	0.0	0.7	0.0	0.0	0.6	0.6	0.0	0.2
	10	0.4	0.0	5.4	0.8	0.0	1.7	1.4	0.0	0.0	0.0	0.6	1.2	0.0	0.0
	11	0.2	0.0	3.5	0.7	0.0	1.7	2.1	1.0	0.0	0.0	1.3	1.3	0.0	0.0
	12	0.9	0.0	3.9	1.0	0.0	2.3	0.4	0.0	0.0	0.0	1.8	0.0	0.0	0.2
	13	0.8	0.0	4.3	1.6	0.0	2.2	0.5	0.0	0.0	0.2	1.7	0.0	0.0	0.5
	14	2.5	0.0	4.9	1.8	0.0	2.2	0.2	0.6	0.0	1.6	1.5	1.6	0.0	0.7
	15	2.6	0.0	7.5	3.7	0.0	2.9	0.7	0.0	1.1	1.8	5.7	0.0	0.1	2.3
	16	0.0	0.0	7.6	3.8	0.7	6.5	1.7	0.8	1.2	2.9	5.7	0.9	2.7	0.8
	17	1.6	0.0	6.9	1.3	0.0	1.6	0.3	1.1	0.0	0.0	1.0	1.1	0.3	0.0
	18	1.7	0.0	5.3	2.1	0.0	2.9	2.6	0.0	0.0	1.3	1.9	0.0	0.0	0.4
	19	1.5	0.0	7.4	2.7	0.2	2.3	0.3	2.1	0.3	0.0	1.5	0.0	0.9	0.8
	20	4.6	0.0	6.2	2.6	1.2	2.2	0.2	2.9	0.1	0.2	2.2	0.0	0.7	0.0
	21	4.5	0.0	10.8	6.1	0.5	4.3	2.3	0.3	2.6	5.1	7.0	2.6	0.7	1.3
	22	1.8	0.0	10.5	5.9	0.9	5.0	2.0	0.2	2.6	2.4	6.6	0.2	0.0	3.9
	23	0.9	0.0	6.6	3.0	0.0	2.5	2.6	0.0	0.4	0.3	4.7	0.0	0.0	1.0
	24	1.6	0.0	4.9	1.8	0.0	2.0	0.2	0.0	0.0	2.2	3.3	0.4	0.0	1.2
	25	2.4	0.0	6.1	7.1	2.0	2.3	0.4	0.2	0.2	0.0	1.8	1.6	0.0	1.2
26	0.0	0.0	7.3	4.3	0.0	3.1	0.8	3.9	0.9	2.2	2.3	0.0	0.0	2.3	
27	0.0	0.0	3.1	0.0	0.0	1.0	0.0	0.2	0.0	0.0	0.4	0.0	0.0	0.1	
40	1.0	0.0	4.5	1.8	0.0	4.1	0.2	1.9	0.0	0.0	1.7	1.4	0.0	0.0	
41	0.7	0.0	4.7	1.6	0.0	3.5	0.2	0.0	0.0	0.4	2.5	0.3	0.0	1.5	
42	2.5	0.0	7.5	3.8	0.2	3.1	1.3	3.2	1.1	2.3	3.9	2.3	0.6	0.1	
43	2.5	0.0	7.5	4.2	1.5	3.5	0.8	0.0	1.1	2.0	3.2	0.0	0.0	0.6	
44	2.4	0.0	7.4	3.6	0.6	4.0	4.9	3.6	1.0	4.0	3.9	3.2	0.0	1.3	
45	2.6	0.0	7.7	4.4	0.0	3.4	0.7	2.4	1.1	1.3	4.0	0.0	0.1	1.1	

2. Take-Out Credit

Members shall receive a credit for each policy written in the MAIP that it voluntarily writes at the policy's expiration. 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 ninety (90) days;
 - c. The kinds and amounts of coverage to be offered as a voluntary risk shall at least equal those in the policy being replaced, and the premium for such coverage shall not exceed the Commissioner's fix-and-establish premium for the equivalent coverages; and
 - d. The Member shall be required to submit an approved reporting form to the MAIP monthly for all policies qualifying during the month and agrees to submit supporting data to the MAIP upon request.
- 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.

G. Distribution Restrictions

Distribution shall be made on the basis that any applicant within the foregoing definitions eligible for assignment, 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. Household Procedure

If voluntary motor vehicle insurance coverage is in force on a motor vehicle owned by a Household Member at the time of the application to the MAIP, the applicant shall be assigned to the company providing the voluntary insurance ~~unless the applicant specifically requests an individual policy separate from the existing policy~~, provided that the following requirements are met:

- a. The applicant is eligible under the rules of the MAIP;
- b. A copy of the Declarations page for the policy providing motor vehicle insurance coverage for a vehicle owned by a Household Member is submitted with the application;

- c. The limits and coverages requested are available from the assigned household company; and
 - d. An assignment to any company under the provisions of the household procedure will be counted as MAIP business in determining ~~factored into~~ such company's quota share. Any assignment to any company under the provisions of the household procedure that is contrary to the above provisions shall be returned to the MAIP promptly for reassignment.
3. Reassignment to Prior Member

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

4. Requests for Reassignment

If an applicant requests a MAIP reassignment pursuant to Rule 26.B which is granted, the applicant will be reassigned to the most undersubscribed Member other than to the Member to which the request related.

I H. Credits Relating to Clean-in-Three Risks

Not later than ~~April 1, 2009~~December 15, 2009, CAR shall develop a credit mechanism designed to encourage carriers to insure and retain on a voluntary basis those consumers who are Clean-in-Three Risks and who meet the following criteria:

1. The applicant or any person who usually drives the motor vehicle has not failed to pay an insurance company any motor vehicle insurance premiums due or contracted during the preceding twelve (12) months; and
2. Any person who usually drives the motor vehicle holds or is eligible to obtain an operator's license.

Such credit will be available to carriers as of April 1, 2011, when the transitional constraint on non-renewal of Clean-in-Three risks as provided for in Rule 21.C has ended.

H-I. Accruing, Buying, Selling or Transferring Credits

1. Members may accrue excess credits.
2. As of April 1, ~~2008~~2009, Members may sell, transfer, or buy excess credits to or from other Members in accordance with systems and procedures to be developed by CAR.
3. Members shall report to CAR within 30 days all transactions relating to the purchase, transfer or sale of excess credits.