



COMMONWEALTH AUTOMOBILE REINSURERS

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RALPH A. IANNACO
PRESIDENT

July 2, 2009

BULLETIN NO. 909

DECISION

PROPOSED CHANGES TO RULES OF OPERATION

Rule 21 – General Provisions

The Commissioner of Insurance, through her correspondence dated July 1, 2009, has approved the amendments to Rule 21.C.1., with the proviso that it re-incorporate non-renewal of the prior policy as a condition of eligibility for the transitional procedures.

The amendments to Rule 21.C.1. establish eligibility for the transition procedures which were developed to streamline the process of applying for coverage through the MAIP. The proposed language provides that the transition procedures shall only apply to an otherwise qualified applicant whose prior policy was non-renewed, whose producer of record for the prior policy was an ERP, or an applicant whose prior policy was ceded to CAR.

This Bulletin, with a copy of the changes to the Rule as listed above, is being furnished to every Member Company as required in Article X of the Plan of Operation.

Please bring these changes to the attention of all interested parties. The Rules of Operation, including all approved changes are available on CAR's website.

RALPH A. IANNACO
President

Attachment



COMMONWEALTH OF MASSACHUSETTS
Office of Consumer Affairs and Business Regulation
DIVISION OF INSURANCE

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NONNIE S. BURNES
COMMISSIONER OF INSURANCE

July 1, 2009

Ralph A. Iannaco, President
Commonwealth Automobile Reinsurers
225 Franklin Street
Boston, MA 02110

Re: Proposed Amendment to CAR Rules 21

Dear Mr. Iannaco:

Thank you for your prompt response to my letter of June 19 informing you that I had approved in part and disapproved in part an amendment to MAIP Rule of Operation 21 that Commonwealth Automobile Reinsurers ("CAR") submitted to me on June 5. I stated that I would reconsider my disapproval of proposed Rule 21.C.1 if CAR added language limiting eligibility for the transition procedures to MAIP applicants whose producer of record for the prior policy was an Exclusive Representative Producer on the effective date of the policy, or the prior policy was ceded to CAR. I directed CAR to submit to me a revised proposal to amend Rule 21.C.1 by June 26.

I received from CAR on June 24, a proposal to amend MAIP Rule 21.C.1 by adding the language recommended in my June 19 letter. The June 24 proposal, however, omitted a condition of eligibility included in CAR's June 5 submission and my June 19 letter: non-renewal of the applicant's prior policy. You advised me in your June 26th letter that CAR intended that these expedited MAIP application procedures apply only when the applicant's prior policy had been non-renewed.

I approve CAR's June 24 proposal to amend MAIP Rule 21.C.1, with the proviso that it be corrected to re-incorporate non-renewal of the prior policy as a condition of eligibility for the transitional procedures. Attached is a corrected version of the text for MAIP Rule 21.C.1.

Very truly yours,

Nonnie S. Burnes
Commissioner of Insurance

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:

- 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.