



DANIEL R. JUDSON
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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October 27, 2014

BULLETIN NO. 992

DECISION

PROPOSED CHANGES TO RULES OF OPERATION

Rules 1-20, 30, 31 and 40

Proposed changes to the Rules of Operation amending Rules 1-20, 30, 31 and 40 were filed with the Commissioner of Insurance on September 17, 2014. The proposed changes were furnished to all members and interested parties as Bulletin No. 990, dated September 17, 2014.

The Commissioner of Insurance, in a decision dated October 17, 2014 approved the filed amendments to Rules 1-10, 12 and 16-20, disapproved certain portions of Rules 13 and 15, and requested that corrections to certain technical errors be made to Rules 11 and 14. The Commissioner noted that if CAR made the indicated Rule changes, he would approve these Rules. In his letter dated October 24, 2014, the Commissioner of Insurance approved the amendments to Rules 11, 13, 14 and 15, as refiled. A copy of both decisions is attached.

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.

Additionally, the Governing Committee, at its meeting of September 17, 2014, approved modifications to the Manual of Administrative Procedures, Assigned Risk Producer Procedures Manual and the Request for Review/Relief Form. The updates made to these documents identify the procedures to be put in place in conjunction with the approval of the filed Rule amendments. The industry will be notified when the updated documents are available on CAR's website.

DANIEL R. JUDSON
President

Attachments



COMMONWEALTH OF MASSACHUSETTS
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DIVISION OF INSURANCE

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ECONOMIC DEVELOPMENT

BARBARA ANTHONY
UNDERSECRETARY

JOSEPH G. MURPHY
COMMISSIONER OF INSURANCE

October 17, 2014

BY EMAIL AND FIRST-CLASS MAIL

Daniel R. Judson
President
Commonwealth Automobile Reinsurers
225 Franklin Street,
Boston, Massachusetts 02110

Re: Proposed Changes to Rules 1 through 20 of the CAR Rules of Operation and
Rules 30, 31 and 40 of the Massachusetts Automobile Insurance Plan

Dear Mr. Judson:

On September 17, 2014, the Governing Committee of the Commonwealth Automobile Reinsurers ("CAR") voted to amend Rules 1 through 20 of the CAR Rules of Operation and Rules 30, 31 and 40 of the Massachusetts Automobile Insurance Plan ("MAIP"). The proposed amendments were distributed to CAR members and submitted to me for my review. After careful review, I disapprove of certain sections of CAR rules 13 and 15 for the reasons discussed below. The remaining proposed amendments are approved.

Proposed Amendment to CAR Rule 13

In proposed Rule 13.B.7.b.5, CAR adds into the text that the Division of Insurance ("Division") must also receive notice of ERP terminations, and deletes the word "concurrently." While I approve the additional notice requirement, I disapprove of the removal of the word "concurrently." If CAR re-writes the section to read as set forth below, I will approve it:

- (5) Be hand delivered or mailed by a method that provides proof of mail to the ERP's principal place of business, with a copy of the termination notice sent concurrently to CAR and the Division of Insurance.

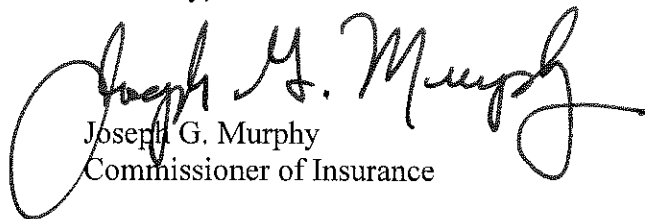
Proposed Amendment to CAR Rule 15

Proposed Rule 15 contains a reorganization of the prior Rule. New Section 15.B.1 states that no Servicing Carrier shall be required to issue a Motor Vehicle Insurance policy if the applicant is in default of the payment to an insurance company of any Motor Vehicle Insurance premiums due or contracted during the preceding 24 months. CAR's governing statute, Massachusetts General Laws Chapter 175, §113H, provides that no insurance company shall be required to issue such policy or execute such bond if the applicant or any person who usually drives the motor vehicle has failed to pay an insurance company any motor vehicle insurance premiums due or contracted during the preceding *twelve* months, not 24 months. As current Rule 15 correctly contains the 12-month timeframe, this appears to be a scrivener's error. Therefore, if CAR makes the appropriate change to this provision, I will approve it.

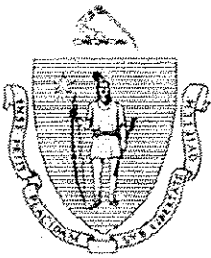
Other Proposed Changes

Finally, I note that Rule 13.B appears to have been mis-numbered and contains no section 13.B.6. I also note further that proposed Rule 11.B.1.b has no subsection (1), just a subsection (2), and that the subsections to proposed Rule 14.A.4.d should be numbers, not letters. Therefore, if CAR makes the appropriate changes to these provisions, I will approve them.

Sincerely,



Joseph G. Murphy
Commissioner of Insurance



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AND BUSINESS REGULATION

JOSEPH G. MURPHY
COMMISSIONER OF INSURANCE

October 24, 2014

Daniel R. Judson
President
Commonwealth Automobile Reinsurers
225 Franklin Street,
Boston, MA 02110

Re: Proposed Amendments to the CAR Rules of Operation

Dear Mr. Judson:

As you know, on September 17, 2014, the Governing Committee of the Commonwealth Automobile Reinsurers ("CAR") voted to amend Rules 1 through 20 of the CAR Rules of Operation and Rules 30, 31 and 40 of the Massachusetts Automobile Insurance Plan. On October 17, 2014, I wrote to you indicating that while I approved of most of the proposed amendments to the CAR Rules, I disapproved of certain proposed amendments to CAR Rules 13 and 15 for the reasons discussed in the letter, and that there were certain technical errors contained in Rules 11, 13 and 14. As I noted in my letter, if CAR made the appropriate changes to these provisions, I would approve the proposed amendments to Rules 11, 13, 14 and 15. I approved the remaining proposed amendments.

I am in receipt of your letter of October 20, 2014, wherein CAR made the changes that I requested, and therefore I now approve the proposed amendments to Rules 11, 13, 14 and 15.

Sincerely,

A handwritten signature in black ink that reads "Joseph G. Murphy". The signature is written in a cursive style.

Joseph G. Murphy
Commissioner of Insurance