



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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NOTICE OF MEETING

COMPLIANCE AND OPERATIONS COMMITTEE

A meeting of the Compliance and Operations Committee will be held virtually via Zoom video conferencing software on

WEDNESDAY, JANUARY 22, 2025, AT 10:00 A.M.

If you plan to attend this meeting and are not a member of this Committee, please RSVP by completing the Visitor Security Form located in the Contact Us/Visitor Information section of CAR's website. CAR will then forward to you, via email, meeting access information. Please do not share access information provided by CAR but refer others wishing to attend the meeting to CAR's Visitor Security Form.

MEMBERS OF THE COMMITTEE

Ms. Erin Cummings– Chair
Norfolk and Dedham Group

Mr. Cory Hanson
Ms. Annmarie Hassan
Ms. Nicole Martorana
Ms. Sharon Murphy
Mr. Henry Risman
Mr. Barry Tagen
Ms. Brenda Williams
Mr. Kenneth Yeh

The Hanover Insurance Company
Arbella Insurance Group
FBInsure, LLC
Acadia Insurance Company
Risman Insurance Agency, Inc.
Pilgrim Insurance Company
MAPFRE U.S.A. Corporation
Allstate Insurance Group

AGENDA

COPC

24.01 Records of Previous Meeting

The Records of the Compliance and Operations Committee meeting of November 6, 2024 should be read and approved.

COPC

25.03 CAR Conflict of Interest Policy

The Chair will read a statement relative to CAR's Conflict of Interest Policy.

COPC

25.04 Informational Items

The Chair will report on any Governing Committee actions that impact the Compliance and Operations Committee.

COPC

25.05 Compliance Audit Program

Staff will present a status report regarding ongoing audits conducted in accordance with the Compliance Audit Program, as well as an update on company reporting problems being monitored due to issues identified through CAR's data quality program.

COPC

25.06 Operational Reports

The 3rd Quarter 2024 Operational Reports were posted to CAR's website in December 2024. Questions or comments regarding these reports will be discussed at the meeting.

COPC

25.07 New Minimum Compulsory Limits for Policies Effective July 1, 2025 and Later

Staff will present updates to the Private Passenger and Commercial Automobile Statistical Plans pertaining to the increase in minimum compulsory limits effective July 1, 2025 (Docket #COPC25.07, Exhibit #1). Staff will also advise the Committee regarding activities at CAR to implement the new compulsory limits.

COPC

24.10 MAIP Placement Record Reporting

As requested by the Committee, staff met with members of the Division of Insurance to discuss MAIP Placement Record reporting in conjunction with the MAIP Policy Rating Report. The Division of Insurance has indicated that the new value proposed by CAR is reasonable. Accordingly, the summary of the Proposed Amendments to MAIP Placement Record Reporting was updated to reflect this information (Docket #COPC24.10, Exhibit #2). The Committee should be prepared to continue its discussion of this issue at the meeting.

Other Business

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

Executive Session

The Compliance and Operations Committee may convene in Executive Session in accordance with the provisions of G.L. c. 30A, § 21.

MATTHEW HIRSH
Compliance Audit Supervisor

Attachments

Boston, Massachusetts
January 10, 2025

Proposed Modifications to the Private Passenger Statistical Plan

Proposed Effective Date	Description	Pages Impacted	Records Impacted
July 1, 2025	As a result of the recently approved increase to the compulsory liability limits on motor vehicle policies for policies effective July 1, 2025 and subsequent, new bodily injury, uninsured, underinsured, and property damage limit codes have been added to the Private Passenger Statistical Plan. Separate limit codes for bodily injury, uninsured and underinsured coverage have been added to identify the mandatory offer of insurance coverage. A new combined single limit code has been added to identify the increased combined single limit coverage relative to the approved compulsory limits. A note has been added to indicate the valid dates for those codes corresponding to the prior compulsory limits.	VI:33, 34, 35	Liability Premium and Loss Records

Massachusetts Private Passenger Automobile Statistical Plan Part VI - Coding Section

LIABILITY LIMITS CODE

BODILY INJURY		
Limits of Liability		Code
Per Claim	Per Accident	
\$ 20,000	\$ 40,000	01 ⁽¹⁾
20,000	40,000	04 ⁽¹⁾⁽²⁾
20,000	50,000	11 ⁽¹⁾
25,000	60,000	05
25,000	50,000	06 ⁽²⁾
30,000	70,000	12
35,000	80,000	13
40,000	90,000	16
50,000	100,000	07
100,000	300,000	08
250,000	500,000	09
500,000	500,000	15 ⁽³⁾
500,000	1,000,000	10 ⁽³⁾
1,000,000	1,000,000	14 ⁽³⁾
All Other Limits Not Above		49
No Bodily Injury		00

PROPERTY DAMAGE	
Limits of Liability	Code
\$ 5,000	01 ⁽¹⁾
10,000	02 ⁽¹⁾
15,000	03 ⁽¹⁾
25,000	04 ⁽¹⁾
30,000	14
35,000	05
50,000	06
100,000	07
250,000	11
500,000	10 ⁽³⁾
750,000	12 ⁽³⁾
1,000,000	13 ⁽³⁾
All Other Limits Not Above	09
No Property Damage	00

MEDICAL PAYMENTS	
Limits of Liability	Code
\$ 500	01
750	02
1,000	03
2,000	04
5,000	05
10,000	06
15,000	07
20,000	08
25,000	09
50,000	10 ⁽³⁾
100,000	11 ⁽³⁾
All Other Limits Not Above	49
No Medical Payments	00

UNINSURED AUTO		
Limits of Liability		Code
Per Claim	Per Accident	
\$ 20,000	\$ 40,000	04 ⁽¹⁾
20,000	50,000	11 ⁽¹⁾
25,000	60,000	05
25,000	50,000	06
30,000	70,000	12
35,000	80,000	13
40,000	90,000	16
50,000	100,000	07
100,000	300,000	08
250,000	500,000	09
500,000	500,000	15 ⁽³⁾
500,000	1,000,000	10 ⁽³⁾
1,000,000	1,000,000	14 ⁽³⁾
All Other Limits Not Above		49
No Uninsured Auto		00

UNDERINSURED AUTO		
Limits of Liability		Code
Per Claim	Per Accident	
\$ 20,000	\$ 40,000	04 ⁽¹⁾⁽⁴⁾
20,000	50,000	11 ⁽¹⁾
25,000	60,000	05
25,000	50,000	06 ⁽⁴⁾
30,000	70,000	12
35,000	80,000	13
40,000	90,000	16
50,000	100,000	07
100,000	300,000	08
250,000	500,000	09
500,000	500,000	15 ⁽³⁾
500,000	1,000,000	10 ⁽³⁾
1,000,000	1,000,000	14 ⁽³⁾
All Other Limits Not Above		49
No Underinsured Auto		00

CAR DOCKET COPC25.07
EXHIBIT #1
PAGE 3 OF 8

Massachusetts Private Passenger Automobile Statistical Plan Part VI - Coding Section

LIABILITY LIMITS CODE (continued)

- (1) This limit is available for policies effective June 30, 2025 and prior only.
- (2) If both mandatory (code 01) and optional (code 04) Bodily Injury coverage are purchased, Limits Code 04 must be reported. If both mandatory (code 02) and optional (code 06) Bodily Injury coverage are purchased, Limits Code 06 must be reported.
- (3) This limit is available for voluntary business only.
- (4) If the 20/40 limit of Underinsured Auto coverage is purchased, although there is no associated cost, Limits Code 04 must be reported. If the 25/50 limit of Underinsured Auto coverage is purchased, Limits Code 06 must be reported.
- **** ~~Optional for policies effective 1/1/05 — 12/31/05 and mandatory for policies effective 1/1/06 and subsequent.~~
- ★ ~~# Mandatory for policies effective 4/1/07 and subsequent.~~

Massachusetts Private Passenger Automobile Statistical Plan Part VI - Coding Section

CAR DOCKET COPC25.07
EXHIBIT #1
PAGE 4 OF 8

★ LIABILITY LIMITS CODE (Continued)

- If a policy is written at a per occurrence limit that is not identified by a specific code, the transaction shall be coded to the next higher per occurrence limit. However, if the per occurrence limit is greater than \$10,000,000, report code 49.

COMBINED SINGLE LIMIT	
Limits of Liability Per Occurrence	Code
\$ 45,000	04 ⁽¹⁾
50,000	08 ⁽¹⁾
75,000	09 ⁽¹⁾
<u>80,000</u>	<u>06</u>
100,000	10
150,000	11
200,000	12
250,000	13
300,000	14
400,000	15
500,000	16
750,000	17
1,000,000	18
1,500,000	19
2,000,000	20
2,500,000	21
3,000,000	22
5,000,000	23
7,500,000	24
10,000,000	25
All Other Limits Greater Than \$10,000,000	49

⁽¹⁾ This limit is available for policies effective June 30, 2025 and prior only.

Proposed Modifications to the Commercial Statistical Plan

Proposed Effective Date	Description	Pages Impacted	Records Impacted
July 1, 2025	As a result of the recently approved increase to the compulsory liability limits on motor vehicle policies for policies effective July 1, 2025 and subsequent, new bodily injury, uninsured, underinsured, and property damage limit codes have been added to the Commercial Statistical Plan. Separate limit codes for bodily injury, uninsured and underinsured coverage have been added to identify the mandatory offer of insurance coverage. A new combined single limit code has been added to identify the increased combined single limit coverage relative to the approved compulsory limits. A note has been added to indicate the valid dates for those codes corresponding to the prior compulsory limits.	VI:43,44,45	Liability Premium and Loss Records

Massachusetts Commercial Automobile Statistical Plan Part VI - Coding Section

LIABILITY LIMITS CODE

BODILY INJURY		
Limits of Liability		Code
Per Claim	Per Accident	
\$ 20,000	\$ 40,000	01 ⁽¹⁾
20,000	40,000	04 ⁽¹⁾⁽²⁾
20,000	50,000	11 ⁽¹⁾
25,000	60,000	05
<u>25,000</u>	<u>50,000</u>	<u>02</u>
25,000	50,000	06 ⁽²⁾
30,000	70,000	12
35,000	80,000	13
<u>40,000</u>	<u>90,000</u>	<u>16</u>
50,000	100,000	07
100,000	300,000	08
250,000	500,000	09
500,000	500,000	15
500,000	1,000,000	10
1,000,000	1,000,000	14
All Other Limits Not Above		49
No Bodily Injury		00

PROPERTY DAMAGE	
Limits of Liability	Code
\$ 5,000	01 ⁽¹⁾
10,000	02 ⁽¹⁾
15,000	03 ⁽¹⁾
25,000	04 ⁽¹⁾
<u>30,000</u>	<u>14</u>
35,000	05
50,000	06
100,000	07
250,000	11
500,000	10
750,000	12 ⁽³⁾
1,000,000	13 ⁽³⁾
Property Damage Deductible	08
All Other Limits Not Above	09
No Property Damage	00

UNINSURED MOTORIST		
Limits of Liability		Code
Per Claim	Per Accident	
\$ 20,000	\$ 40,000	04 ⁽¹⁾
20,000	50,000	11 ⁽¹⁾
25,000	60,000	05
25,000	50,000	06
30,000	70,000	12
35,000	80,000	13
<u>40,000</u>	<u>90,000</u>	<u>16</u>
50,000	100,000	07
100,000	300,000	08
250,000	500,000	09
500,000	500,000	15
500,000	1,000,000	10 ⁽³⁾
1,000,000	1,000,000	14 ⁽³⁾
All Other Limits Not Above		49
No Uninsured Auto		00

MEDICAL PAYMENTS	
Limits of Liability	Code
\$ 500	01
750	02
1,000	03
2,000	04
5,000	05
10,000	06
15,000	07
20,000	08
25,000	09
50,000	10 ⁽³⁾
100,000	11 ⁽³⁾
All Other Limits Not Above	49
No Medical Payments	00

UNDERINSURED MOTORIST		
Limits of Liability		Code
Per Claim	Per Accident	
\$ 20,000	\$ 40,000	04 ⁽¹⁾⁽⁴⁾
20,000	50,000	11 ⁽¹⁾
25,000	60,000	05
25,000	50,000	06 ⁽⁴⁾
30,000	70,000	12
35,000	80,000	13
<u>40,000</u>	<u>90,000</u>	<u>16</u>
50,000	100,000	07
100,000	300,000	08
250,000	500,000	09
500,000	500,000	15
500,000	1,000,000	10 ⁽³⁾
1,000,000	1,000,000	14 ⁽³⁾
All Other Limits Not Above		49
No Underinsured Auto		00

Massachusetts Commercial Automobile Statistical Plan Part VI - Coding Section

LIABILITY LIMITS CODE (continued)

(1) This limit is available for policies effective June 30, 2025 and prior only.

(2) If both mandatory (code 01) and optional (code 04) Bodily Injury coverage are purchased, Limits Code 04 must be reported. If both mandatory (code 02) and optional (code 06) Bodily Injury coverage are purchased, Limits Code 06 must be reported.

(3) This limit is available for voluntary business only.

(4) If the 20/40 limit of Underinsured Motorists coverage is purchased, although there is no associated cost, Limits Code 04 must be reported. If the 25/50 limit of Underinsured Motorists coverage is purchased, Limits Code 06 must be reported.

~~**** Optional for policies effective 1/1/05 — 12/31/05 and mandatory for policies effective 1/1/06 and subsequent.~~

★ ~~# Mandatory for policies effective January 1, 2008 and subsequent.~~

Massachusetts Commercial Automobile Statistical Plan Part VI - Coding Section

LIABILITY LIMITS CODE (Continued)

- If a policy is written at a per occurrence limit that is not identified by a specific code, the transaction shall be coded to the next higher per occurrence limit.

COMBINED SINGLE LIMIT	
Limits of Liability Per Occurrence	Code
\$ 45,000	04 ⁽¹⁾
50,000	08 ⁽¹⁾
75,000	09 ⁽¹⁾
<u>80,000</u>	<u>06</u>
100,000	10
150,000	11
200,000	12
250,000	13
300,000	14
400,000	15
500,000	16
750,000	17
1,000,000	18
1,500,000	19
2,000,000	20
2,500,000	21
3,000,000	22
5,000,000	23
7,500,000	24
10,000,000	25
15,000,000	26
20,000,000	27
30,000,000	28
50,000,000	29

⁽¹⁾ This limit is available for policies effective June 30, 2025 and prior only.



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Compliance and Operations Committee

Proposed Amendments to MAIP Placement Record Reporting

At the September 4th meeting, the Committee discussed a proposed change to the Rating Company Number field reported on the MAIP Placement Record. The Committee requested that staff contact the Division of Insurance to request feedback before making its decision. Accordingly, this overview has been updated to reflect more current information.

Background:

Division of Insurance Bulletin 2008-17 establishes procedures that insurers are required to follow concerning the placement of private passenger automobile insurance policies among group company affiliates or among risk categories within a single insurance company (often referred to as rating tiers). The Bulletin instructs that to determine the premium to be charged for a policy assigned through the MAIP, each insurer is required to calculate and compare the voluntary and MAIP premium based on the pre-defined risk attributes for which the policy has qualified as identified by the insurer in its voluntary rate filing(s).

Pursuant to CAR Bulletin 898, the Assigned Risk Carrier (ARC) is further required to report the source of the rates used to calculate the policy premium and report that information to CAR via the MAIP Placement Records (MPR). This information is used to provide a weekly summary report to the Division of Insurance to monitor pricing activity.

Issue for Discussion:

It has come to CAR's attention that the procedures vary among the ARCs in reporting the Rating Company Number data field on the MPR in instances where the company's voluntary rate equals the MAIP rate. Specifically, procedures vary when a company has adopted the MAIP rates in its voluntary filings either as a company within a group affiliate or as a risk category(s) within a single insurance company. Accordingly, CAR is recommending a change to the reporting of the Rating Company Number to enhance the quality of the data collected.

Currently, the Rating Company Number has two values:

- Report the three-digit code of the company whose voluntary private passenger rate was used to rate the policy.
- Report 001 if the MAIP rate was used to rate the policy

The proposed change would add a third value:

- Report the three-digit code of the company whose voluntary private passenger rate was used to rate the policy.
- Report 001 if the MAIP rate was used to rate the policy.
- Report 002 if the voluntary rate used to rate the policy is equal to the MAIP rate.

Staff previously reached out to the ARCs that report MAIP Placement Records to better understand the impact of this proposed change. Most companies responded that an additional value is much easier to implement than a new data field and consequently a shorter lead time is required. Additionally, the Division of Insurance has indicated that the new value (002) proposed by CAR makes sense. Accordingly, Staff still recommends that this change be implemented. However, in light of the pending change to the compulsory minimum limits (proposed effective date July 1, 2025) and the amount of work associated with that change, the implementation date to modify reporting of the MPR record be pushed out to an effective date of January 1, 2026. If the Committee supports the recommendation, Staff will draft amendments to the Assigned Risk Company Procedures Manual for consideration at the next meeting.