



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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NOTICE OF MEETING

MAIP STEERING COMMITTEE

A meeting of the MAIP Steering Committee will be held virtually via Zoom video conferencing software on

THURSDAY, MAY 30, 2024, 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

Mr. Barry Tagen – Chair
Pilgrim Insurance Company

Mr. Matthew Cote
Ms. Ida Denard Jones
Ms. Sheila Doherty
Mr. Cory Hanson
Ms. Jean Houghton
Mr. Shaun Farley
Mr. Robert Jackson
Ms. Mary McConnell
Mr. Henry Risman
Mr. Gavin Traverso
Mr. Mark Winiker

Arbella Insurance Group
Denard Insurance Agency, Inc.
Doherty Insurance Agency, Inc
The Hanover Insurance Company
Norfolk & Dedham Group
Vermont Mutual Insurance Group
GEICO
Safety Insurance Company
Risman Insurance Agency, Inc.
MAPFRE U.S.A. Corporation
A-Affordable Insurance Agency, Inc.

AGENDA

MSC

24.01 Records of Previous Meeting

The Records of the MAIP Steering Committee meeting of March 14, 2024, should be read and approved.

MSC

24.03 CAR Conflict of Interest Policy

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

MSC

22.08 MAIP Physical Damage Maximum Loss Payable

At its last meeting, the Committee approved the proposed amendments to Rule 27 – Coverages of the CAR Rules of Operation, corresponding amendments to the manual rule and rate pages, and the draft endorsement form MP-0004 regarding the physical damage maximum loss payable of \$175,000. Based upon Committee discussion at its last meeting, CAR Staff has prepared a package for final review which includes updated procedures, the notice to policyholders, notice to lienholders, ACORD binder, and the Coverage Selections Page. (Docket #MSC22.08, Exhibit #4)

MSC

24.04 Rule 30 – Assigned Risk Company Requirements

At its last meeting, the Committee reviewed the request of an Assigned Risk Company (ARC) of the procedures in Rule 30 of the Rules of Operation Section C.1.c. - Procedures for Voluntary Writing of Risks from the MAIP relative to timeframes for notifying the producer of record and the method of notification. The Committee agreed to allow for a reduction in the notification timeframe of no less than sixty days and allow for electronic means to be added to the rule. CAR Staff has prepared a draft of the proposed amendment to Rule 30 for the Committee's review. (Docket #MSC24.04, Exhibit #1)

MSC

24.05 Residual Market Private Passenger Volume

At the April 9, 2024 Governing Committee meeting, members expressed concern with the continued increase in MAIP assignment volume. Accordingly, the Governing Committee Chair has directed that MAIP Steering Committee discuss the current status of the market and evaluate areas in which Rules and procedures can be strengthened to address the volume concerns. To assist the Committee in its discussion, staff has provided the following exhibits highlighting various volumes and trends in the residual market:

- MAIP Assignment by Calendar Month (Docket #MSC24.05, Exhibit #1)
- MAIP Exposures by Effective Month (Docket #MSC24.05, Exhibit #2)
- MAIP Residual Market Percentage Share by Effective Month (Docket #MSC24.05, Exhibit #3)
- MAIP Retention Rates (Docket #MSC24.05, Exhibit #4)

Additionally, the Committee should discuss the current requirements and procedures for declination of a risk in the voluntary market and the insured's eligibility to be placed in the residual market as outlined in Rule 23 – Member Obligations, Rule 26 – Policyholder Rights and Responsibility, and Rule 31 – Assigned Risk Producer Requirements. (Docket #MSC24.05, Exhibit #5)

Other Business

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

Executive Session

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

ADRIANNE DONOVAN
Residual Market Services Liaison

Attachments

Boston, Massachusetts
May 17, 2024

MAIP Steering Committee – May 30, 2024
Physical Damage Maximum Limit of Loss
Implementation Process

Amendments to Rule 27 – Coverages of the CAR Rules of Operation approved by the Governing Committee at its April 9, 2024 meeting were deemed approved by the Commissioner on May 13, 2024. Corresponding amendments to the Private Passenger Residual Market Manual Rules and Rates and the proposed endorsement form MP-0004 were filed with the Division of Insurance on May 14, 2024 (SERFF tracking number CARI-134101960). The proposed January 1, 2025 effective date of the amendments will be confirmed or modified as needed when the rules, rates, and form are placed on file.

At its March 14, 2024 meeting, the MAIP Steering Committee considered proposed procedures to implement the maximum physical damage limit of loss including notification to policyholders and lienholders as well as instructions for completing the insurance binder and coverage selections page. The following documents are attached reflecting the modifications approved by the Committee at the meeting for the Committee’s final review.

- **Notice to Policyholders:** The updated notice will be attached to all MAIP policies renewing during the 12-month renewal cycle following the effective date of the implementation to ensure consistent notification to existing MAIP policyholders impacted by this change. The notice will be sent by the Assigned Risk Carrier (ARC) to the insured with a copy to the producer of record 45 days prior to the renewal effective date.
- **Notice to Lienholders:** The separate notice to lienholders includes more detailed information as directed by the Committee including make, model, model year, and VIN to identify which vehicles are impacted by this change. To determine the vehicles that are impacted, the ARC will use the cost new value of the vehicle. Furthermore, ARCs will be instructed to provide a list to producers of policies containing high value vehicles so they, in turn, can assist the policyholders to address additional coverage requirements. Lastly, to assist ARCs in identifying policyholders impacted by this change, CAR will provide a listing to each ARC identifying those insured VINs with a VRG equal to 50.
- **Insurance Binder:** This sample ACORD insurance binder illustrates for producers how the binder will be completed to notify lienholders of available coverage. When completing this form, producers should check the “open box” in the physical damage section and state: “Not To Exceed \$175,000” in the limit amount field. At its last meeting the Committee confirmed that a binder is required for new business only.
- **Coverage Selections Page:** Attached is a copy of the Coverage Selections Page on file by AIB. Assigned Risk Companies will indicate the limits of physical damage coverage accordingly by replacing “Actual Cash Value” with “Coverage Maximum \$175,000.”
- **MAIP Policy Application System:** CAR will begin updating the MAIP Policy Application to modify various pages that alert the producer and the risk of the maximum limit of loss. The detailed screens will be provided to the Committee at a future meeting.

_____ **Insurance Company**

IMPORTANT NOTICE TO POLICYHOLDER

Massachusetts law requires that you be notified of any reductions or eliminations made in coverage, conditions or definitions of your automobile insurance policy. This notice is provided to you to inform you of a change to physical damage coverage available for automobile insurance policies assigned through the Massachusetts Automobile Insurance Plan (MAIP) for policies effective January 1, 2025 and later. The specific coverage afforded by your insurance is determined by the terms and provisions of your policy and Coverage Selections Page.

As of the policy renewal effective date noted on your Coverage Selection Page, physical damage coverage provided under Part 7 (Collision), Part 8 (Limited Collision), and Part 9 (Comprehensive) of your policy will be subject to a maximum limit of loss of \$175,000 per auto per incident. Endorsement MP-0004 has been added to your policy documentation to clarify the coverage provided.

If your Coverage Selections Page shows that a lender has a secured interest in your auto(s), the lender has also been notified of your change in coverage.

Please contact your insurance agent to arrange for separate additional physical damage coverage through the voluntary market if needed.

_____ **Insurance Company**

IMPORTANT NOTICE TO LIENHOLDER

Policy Number: _____ Policy Renewal Effective Date: _____

Named Insured: _____

Vehicle Description (Make, Model, Year)	Vehicle Identification Number

Massachusetts law requires that policyholders be notified of any reductions or eliminations made in coverage, conditions or definitions of their automobile insurance policy. This notice is provided to inform the lienholder of a change to physical damage coverage available for automobile insurance policies assigned through the Massachusetts Automobile Insurance Plan (MAIP) for policies effective January 1, 2025 and later for the vehicles listed above.

As of the policy renewal effective date noted above, physical damage coverage provided under Part 7 (Collision), Part 8 (Limited Collision), and Part 9 (Comprehensive) of the policy will be subject to a maximum limit of loss of \$175,000 per auto per incident.



INSURANCE BINDER

DATE (MM/DD/YYYY)

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON PAGE 2 OF THIS FORM.

AGENCY		COMPANY		BINDER #	
PHONE (A/C, No, Ext):		FAX (A/C, No):		<input type="checkbox"/> THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #:	
CODE:	SUB CODE:	DATE EFFECTIVE TIME AM PM		DATE EXPIRATION TIME 12:01 AM NOON	
AGENCY CUSTOMER ID:		DESCRIPTION OF OPERATIONS / VEHICLES / PROPERTY (Including Location)			
INSURED AND MAILING ADDRESS					

COVERAGES**LIMITS**

TYPE OF INSURANCE	COVERAGE / FORMS	DEDUCTIBLE	COINS %	AMOUNT
PROPERTY <input type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input type="checkbox"/> SPEC CAUSES OF LOSS				
GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR RETRO DATE FOR CLAIMS MADE:		EACH OCCURRENCE		\$
		DAMAGE TO RENTED PREMISES		\$
		MED EXP (Any one person)		\$
		PERSONAL & ADV INJURY		\$
		GENERAL AGGREGATE		\$
		PRODUCTS - COMP/OP AGG		\$
VEHICLE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY		COMBINED SINGLE LIMIT		\$
		BODILY INJURY (Per person)		\$
		BODILY INJURY (Per accident)		\$
		PROPERTY DAMAGE		\$
		MEDICAL PAYMENTS		\$
		PERSONAL INJURY PROT		\$
		UNINSURED MOTORIST		\$
				\$
VEHICLE PHYSICAL DAMAGE DED <input type="checkbox"/> COLLISION: _____ <input type="checkbox"/> OTHER THAN COL: _____ <input type="checkbox"/> ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES		ACTUAL CASH VALUE		Not to exceed
		STATED AMOUNT		\$
GARAGE LIABILITY <input type="checkbox"/> ANY AUTO		AUTO ONLY - EA ACCIDENT		\$
		OTHER THAN AUTO ONLY:		
		EACH ACCIDENT		\$
		AGGREGATE		\$
EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM RETRO DATE FOR CLAIMS MADE:		EACH OCCURRENCE		\$
		AGGREGATE		\$
		SELF-INSURED RETENTION		\$
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY		PER STATUTE		
		E.L. EACH ACCIDENT		\$
		E.L. DISEASE - EA EMPLOYEE		\$
		E.L. DISEASE - POLICY LIMIT		\$
SPECIAL CONDITIONS / OTHER COVERAGES		FEES		\$
		TAXES		\$
		ESTIMATED TOTAL PREMIUM		\$

NAME & ADDRESS

	<input type="checkbox"/> ADDITIONAL INSURED <input type="checkbox"/> LENDER'S LOSS PAYABLE	<input type="checkbox"/> LOSS PAYEE <input type="checkbox"/> MORTGAGEE
	LOAN #:	
	AUTHORIZED REPRESENTATIVE	

COVERAGE SELECTIONS PAGE

This page and any attached endorsements form a part of your policy

This policy is Issued By:
ITEM 1. This policy is Issued To:

Massachusetts Personal Automobile
 Policy Number
 [Producer]

ITEM 2. This policy is effective from:

To:

(12:01 A.M. Eastern Standard Time)

ITEM 3. Description of your Auto:

AUTO	AUTO
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ITEM 4. This policy provides only the coverages for which a premium charge is shown.

COVERAGES, Parts 1-12	AUTO			AUTO		
COMPULSORY INSURANCE	LIMITS	DEDUCTIBLE	PREMIUM	LIMITS	DEDUCTIBLE	PREMIUM
1. Bodily Injury To Others	\$ 20,000 per person \$ 40,000 per accident	NONE	\$	\$20,000 per person \$40,000 per accident	NONE	\$
2. Personal Injury Protection	\$ 8,000 per person	\$ <input type="checkbox"/> yourself <input type="checkbox"/> yourself and household members	\$	\$ 8,000 per person	\$ <input type="checkbox"/> yourself <input type="checkbox"/> yourself and household members	\$
3. Bodily Injury Caused By An Uninsured Auto <small>(Compulsory Limits \$20,000/\$40,000)</small>	\$ per person \$ per accident	NONE	\$	\$ per person \$ per accident	NONE	\$
4. Damage To Someone Else's Property <small>(Compulsory Limit \$5,000)</small>	\$ per accident	NONE	\$	\$ per accident	NONE	\$

OPTIONAL INSURANCE						
5. Optional Bodily Injury To Others	\$ per person \$ per accident	NONE	\$	\$ per person \$ per accident	NONE	\$
6. Medical Payments	\$ per person	NONE	\$	\$ per person	NONE	\$
7. Collision	Coverage Maximum \$175,000	\$	\$	Actual Cash Value	\$	\$
8. Limited Collision	Coverage Maximum \$175,000	\$	\$	Actual Cash Value	\$	\$
9. Comprehensive	Coverage Maximum \$175,000	\$	\$	Actual Cash Value	\$	\$
10. Substitute Transportation		NONE	\$	Up to \$ day, maximum \$ a	NONE	\$
11. Towing and Labor	Up to \$ For each disablement	NONE	\$	Up to \$ for each disablement	NONE	\$
12. Bodily Injury Caused By An Underinsured Auto	\$ per person \$ per accident	NONE	\$	\$ per person \$ per accident	NONE	\$

MERIT RATING PLAN	ADJUSTMENT	\$	ADJUSTMENT	\$	
	PREMIUM	\$	PREMIUM	\$	
Identification Numbers of Endorsements Forming a Part of This Policy				TOTAL PREMIUM	\$

ITEM 5. Place of Principal Garaging	ITEM 6. Secured Lender/Lessor - Additional Insured, if Rented Auto
AUTO	
AUTO	

Driver Information:

Oper No.	Operator Name	Date of Birth	License Number	Lic. State	Date First Licensed if Less Than 6 Yrs		Driver Training Yes/No	% Use		Operator Status: O - Occasional P - Principal E - Excluded D - Deferred	
					Auto	Motor cycle		Auto 1	Auto 2	Auto 1	Auto 2

REFER TO OTHER SIDE FOR ADDITIONAL INFORMATION

CAR Rules of Operation

Memorandum of Changes

The following amendments are proposed to Rule 30 – Assigned Risk Company Requirements to allow for a more efficient notification of a voluntary offer to a MAIP risk:

Rule 30 – Assigned Risk Company Requirements

Language has been updated to reflect that:

- The producer be notified no less than 60 days prior to the policy expiration date
- The addition of electronic notification as an option for communication to the policyholder

b. Offer to Write

The kinds and amounts of coverage to be offered for such voluntary risks shall not be less than those afforded by the policy being replaced unless the insured refuses such kinds and amounts of coverage.

c. Notification to the Producer of Record

The producer of record must be mailed notification of such offer no less than sixty ~~ninety~~ days prior to policy expiration, which shall contain the premium quotation to be offered. The policyholder shall be mailed or notified by electronic means the offer for voluntary coverage forty-five days prior to policy expiration with copy to the producer of record.

Following such offer to write, the ARC shall have no further obligations to the policyholder or to the producer of record if the policyholder obtains replacement insurance from another Member.

If such replacement coverage is obtained by the producer of record within the forty-five day advance notice period, the producer of record shall notify the assigned ARC and it shall not make an offer to the policyholder.

d. ARC Obligations to the Producer of Record

A duly licensed insurance producer, certified to place business through the MAIP, shall own and have an exclusive right, as the insured's producer of record, to use certain insurance information of the insured embodying the records of the insurance agency which shall include but not be limited to, the name of the insured, the policy inception date, the amount of insurance coverage, the policy number and the terms of insurance. An ARC may choose to offer voluntary coverage to a policyholder it has insured through the MAIP. Once the ARC mails the offer to write voluntary coverage and the policyholder accepts the offer, the policyholder's producer of record shall continue to represent the policyholder who has been written or renewed in the voluntary market and to service the policy unless: 1) the producer is decertified or suspended by the MAIP or the Commissioner of Insurance pursuant to Rule 31.B.; 2) the insured chooses to terminate such producer as its producer of record; or 3) the producer of record is precluded from

Assignment Summary By Assignment Month (Through April, 2024)

<u>Date</u>	2019	2020	2021	2022	2023	2024	Pre-Covid Comparison				
	<u>Assignment Count</u>	<u>Assignment Count</u>	<u>Assignment Count</u>	<u>Assignment Exp*</u>	<u>Assignment Count</u>	<u>Assignment Count</u>	<u>22/21</u>	<u>23/22</u>	<u>23/22</u>	<u>23/19</u>	<u>24/19</u>
Jan	2,563	1,970	909	760	2,165	6,861	-16.4%	184.9%	216.9%	-15.5%	167.7%
Feb	2,617	2,029	800	783	2,275	7,890	-2.1%	190.5%	246.8%	-13.1%	201.5%
Mar	3,199	1,888	1,424	1,163	3,281	8,489	-18.3%	182.1%	158.7%	2.6%	165.4%
Apr	2,934	1,090	1,215	1,086	3,012	8,168	-10.6%	177.3%	171.2%	2.7%	178.4%
May	2,659	1,896	1,091	1,179	3,238		8.1%	174.6%		21.8%	
Jun	2,349	1,725	1,210	1,273	3,611		5.2%	183.7%		53.7%	
Jul	2,197	1,497	1,082	1,289	3,771		19.1%	192.6%		71.6%	
Aug	2,303	1,441	1,055	1,533	4,805		45.3%	213.4%		108.6%	
Sep	2,154	1,337	944	1,519	5,171		60.9%	240.4%		140.1%	
Oct	2,171	1,201	940	1,604	5,605		70.6%	249.4%		158.2%	
Nov	1,800	879	849	1,660	5,792		95.5%	248.9%		221.8%	
Dec	1,667	864	802	1,848	5,907		130.4%	219.6%		254.3%	
Total YTD	28,613	17,817	12,321	15,697	48,633	31,408	27.4%	209.8%		70.0%	
Avg Mo	2,384	1,485	1,027	1,308	4,053	7,852					

MAIP Assigned (CAR ID 9) Statistically Reported Exposures By Effective Month @ February, 2024
Includes New and Renewal Business

<u>Date</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>% Difference</u>					<u>Pre-Covid Comparison</u>	
	<u>ID 9</u>	<u>ID 9</u>	<u>ID 9</u>	<u>ID 9</u>	<u>ID 9</u>	<u>ID 9</u>	<u>20 / 19</u>	<u>21 / 20</u>	<u>22 / 21</u>	<u>23 / 22</u>	<u>24 / 23</u>	<u>23 / 19</u>	<u>24 / 19</u>
	<u>Exp</u>	<u>Exp</u>	<u>Exp</u>	<u>Exp</u>	<u>Exp</u>	<u>Exp*</u>							
Jan	3,875	3,249	1,354	1,385	2,343	8,597	-16%	-58.3%	2.3%	69.2%	267.0%	-39.5%	121.9%
Feb	3,944	3,169	1,278	1,288	2,394	9,736	-20%	-59.7%	0.8%	85.9%	306.6%	-39.3%	146.9%
Mar	4,684	3,390	1,741	1,764	3,433		-27.6%	-48.6%	1.3%	94.6%		-26.7%	
Apr	4,267	2,540	1,423	1,437	3,151		-40.5%	-44.0%	1.0%	119.2%		-26.2%	
May	3,955	3,050	1,596	1,624	3,442		-22.9%	-47.7%	1.8%	111.9%		-13.0%	
Jun	3,616	2,737	1,728	1,748	3,753		-24.3%	-36.9%	1.1%	114.8%		3.8%	
Jul	3,419	2,511	1,670	1,667	3,962		-26.6%	-33.5%	-0.2%	137.7%		15.9%	
Aug	3,626	2,561	1,890	1,901	5,029		-29.4%	-26.2%	0.6%	164.5%		38.7%	
Sep	3,303	2,435	1,924	1,917	5,580		-26.3%	-21.0%	-0.4%	191.1%		68.9%	
Oct	3,464	2,356	1,921	1,918	6,038		-32.0%	-18.5%	-0.1%	214.7%		74.3%	
Nov	2,924	1,747	1,863	1,857	6,368		-40.3%	6.6%	-0.3%	242.9%		117.8%	
Dec	2,788	1,847	2,004	2,010	6,253		-33.8%	8.5%	0.3%	211.1%		124.3%	
Total YTD	43,865	31,592	20,392	20,517	51,746	18,333	-28.0%	-35.5%	0.6%	152.2%		18.0%	
Total Mkt Exp	4,686,073	4,738,078	4,711,667	4,832,190	4,972,938	847,517	1.1%	-0.6%	2.6%	2.9%		6.1%	
Res Mkt Shr	0.9%	0.7%	0.4%	0.4%	1.0%	2.2%	-28.8%	-35.1%	-1.9%	145.1%		11.2%	131.1%

*Data includes adjustments for Amica 2024 accounting/statistical shipment data .