



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

**TUESDAY, NOVEMBER 5, 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. Shaun Farley  
Mr. Cory Hanson  
Ms. Jean Houghton  
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.  
Vermont Mutual Insurance Group  
The Hanover Insurance Company  
Norfolk & Dedham 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 August 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**

**24.06 Rule 28 – Application Process – Installment Plan**

The Committee should be prepared to consider amendments to Rule 28.C – Premium Deposit and Payment Options whereby language has been added to define how monthly installment payments are calculated in the event that nine equal payments become impossible due to subsequent policy activity such as non-payment, late payment, or endorsement activity. (Docket #MSC24.06, Exhibit #4)

**MSC**

**24.07 Private Passenger Insurance Manual – Rule 55 Pre-Insurance Inspection Program**

The Committee should be prepared to discuss recommended amendments to the Private Passenger Insurance Manual – Rule 55 Pre-Insurance Inspection Program relative to the change in the eligibility of vehicles weighing up to 16,000 pounds and to the addition of qualifications to the inspection criteria that corresponds to the language in 211 CMR 94.00. (Docket #MSC24.07, Exhibit #1)

**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  
October 24, 2024

November 5, 2024

**CAR Rules of Operation**  
**Memorandum of Changes**

The following amendments are proposed to Rule 28 – Application Process pursuant to MAIP Steering Committee discussion at its August 14, 2024 meeting.

Rule 28 – Application Process

C.2. Premium Deposit and Payment Options – Installment Plan

Language has been added to update the Assigned Risk Carrier (ARC) procedures when activity occurs during the policy term on both new and renewal business that doesn't allow for nine equal monthly installments over the course of the policy term. Language has also been added to address billing procedures when late payments result in the issuance of a cancellation notice.

**CAR** | **Rules of Operation**  
**Rule 28** | **Application Process**  
**Revision Date** **2019.07.23 Draft 2024.11.05**  
**Page** **3 of 4**

2. Installment Plan

Each ARC will utilize the installment payment plan filed by Commonwealth Automobile Reinsurers for MAIP business. The plan will require an initial deposit payment for new and renewal business pursuant to Section C.1. Upon receipt of the new business deposit, the ARC will then calculate the balance of the premium owed on the basis of the lower of the MAIP rate or the ARC rate and the insured will ~~be billed~~ pay that premium balance over nine equal monthly installments. The deposit for renewal business will be a percentage of the premium calculated using the lower of the ARC's rate or the MAIP rate. The remaining balance will be ~~billed~~ paid over nine equal monthly installments.

A flat fee of \$8.00 per installment finance charge will apply until the entire balance is paid.

For both new and renewal business, if there is activity during the policy term that no longer allows for nine equal monthly installment payments, the ARC shall recalculate the remaining monthly installments such that the outstanding premium balance will be paid in full, apportioned equally over the remaining number of installments.

If a late payment remains unremedied resulting in the issuance of the Statutory Notice of Cancellation, the ARC will calculate the balance due to reinstate the policy equal to the late payment plus any subsequent installment payments that would be owed as of the cancellation effective date indicated on the notice.

3. Dishonored Check Charge

A dishonored check fee of \$29 will be charged to an applicant or policyholder issuing a check that is dishonored by the financial institution to which the check is presented for payment.

4. Late Fee or Cancellation Fee

A policyholder who fails to pay an installment premium by the applicable due date will be charged a late fee or cancellation fee of \$29.

MASSACHUSETTS PRIVATE PASSENGER RESIDUAL MARKET AUTOMOBILE INSURANCE MANUAL

**SECTION V - SUPPLEMENTAL INFORMATION**

**RULE 54. RESERVED FOR FUTURE USE**

**RULE 55. PRE-INSURANCE INSPECTION PROGRAM**

General Laws Chapter 175, section 113S, and the implementing regulations, 211 CMR 94.00, require the pre-insurance inspection of private passenger motor vehicles. The following is a summary of the requirements of the regulation.

**Eligibility**

Unless specifically exempted or waived, all private passenger motor vehicles and pick-ups or vans having a gross vehicle weight up to 16,000 pounds are required to be inspected by an insurer prior to the issuance of physical damage coverages by the insurer. An insurer's decision to waive or not to waive an inspection pursuant to 211 CMR 94.00, shall not be based on the age, race, sex, ~~or~~ marital status, creed, national origin, religion, occupation, income, education, credit information, or homeownership of the applicant or the customary operators of the vehicle, the principal place of garaging, or the fact that the policy has been assigned to the insurer through the Massachusetts Automobile Insurance Plan.

**Exemptions to Inspection Requirement**

An inspection shall not be required if:

1. The motor vehicle is a new, unused motor vehicle from a franchised automobile dealership where the insurer is provided with either: a copy of the bill of sale which contains a full description of the motor vehicle, including all options and accessories; or a copy of the Registration and Title Application (RTA) provided by the Registry of Motor Vehicles, which establishes the transfer of ownership from the dealer to the customer and a copy of the window sticker or the dealer invoice showing the itemized options and equipment in addition to the total retail price of the vehicle.
2. The inspection is waived by the insurer.
3. Any private passenger motor vehicle not owned by the applicant, which is used by the applicant, with the permission of the owner, is a temporary substitute due to breakdown, repair, servicing, loss or destruction of the applicant's own motor vehicle.
4. The motor vehicle is leased less than six months, provided the insurer receives the lease or rental agreement containing a description of the leased motor vehicle, including its condition.
5. The inspection would cause a serious hardship to the insurer or the applicant.
6. The insurer has no inspection facility or authorized representative either in the city or town in which the motor vehicle is principally garaged or within five miles of said city or town.

An insurer may require an inspection of a motor vehicle otherwise exempt pursuant to 211 CMR 94.05(1) provided that the decision to inspect such motor vehicle is reasonable and supported by objective facts based on underwriting criteria uniformly applied, and such decision is reasonable and supported by objective facts. The decision to require such inspection shall not be based on the age, race, sex, marital status, creed, national origin, religion, occupation, income, education, credit information or homeownership of the applicant or the customary operators of the motor vehicle, the principal place where the motor vehicle is garaged, or the fact that the policy has been issued through the Massachusetts Automobile Insurance Plan.

An insurer shall maintain a written record of its reasons for requiring an inspection in situations that are otherwise exempt in the applicant's policy record.

**Waiver of Inspection**

An inspection may be waived if:

1. The motor vehicle is ten or more years older than the current calendar year.