



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, MARCH 18, 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

Mr. Barry Tagen – Chair  
Pilgrim Insurance Company

Mr. Matthew Cote  
Ms. Sheila Doherty  
Mr. Shaun Farley  
Mr. Cory Hanson  
Mr. David Hassey  
Ms. Jean Houghton  
Mr. Robert Jackson  
Mr. Andrew Lajzer  
Mr. Henry Risman  
Mr. Mark Winiker  
Ms. Qianyi Zhao

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

### AGENDA

#### MSC

##### 24.01 Records of Previous Meeting

The Records of the MAIP Steering Committee meeting of November 5, 2024, should be read and approved.

**MSC**

**25.03 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**

The Division of Insurance has indicated that it will place on file rules and forms filed by CAR to implement the maximum physical damage limit of loss. CAR staff is seeking direction from the Committee regarding an effective date for implementation of this change in light of the July 1, 2025 increase to the minimum mandatory liability coverage limits mandated by recent legislation. Attached is a list of implementation issues to be considered. (Docket #MSC22.08, Exhibit #7)

**MSC**

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

At its November 5, 2024, meeting, the Committee considered draft amendments to Rule 28.C – Premium Deposit and Payment Options whereby language had 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. Committee members commented regarding the various circumstances impacting the status of payment activity during a policy term and directed staff to revise the draft language to address the committee's discussion. The Committee should be prepared to consider the current draft. (Docket #MSC24.06, Exhibit #5)

**MSC**

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

Staff will provide a status report on actions taken to date to implement new minimum compulsory limits mandated by recent legislation for policies that are issued or renewed on or after July 1, 2025.

**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 DONVAN  
Residual Market Service Liaison

Attachments

Boston, Massachusetts  
March 4, 2025

MAIP Steering Committee – March 18, 2025  
Physical Damage Maximum Loss Payable  
Additional Procedural Topics

In its recommendation to adopt a maximum physical damage limit of loss, the MAIP Steering Committee recommended a minimum 120-day lead time for implementation. As the Division has indicated that it will place on file rules and forms filed by CAR to implement the change, staff is seeking the Committee's direction regarding a proposed effective date, taking into consideration the July 1, 2025 increase to the minimum mandatory liability coverage limits. The following issues relate to the implementation of the two changes:

- **Coverage Selections Page:** CAR's physical damage limit filing included a new MAIP Coverage Selections Page which identifies the maximum physical damage loss payable. CAR will need to amend its Coverage Selections Page to also indicate an increase to the minimum liability coverage limits. Programming changes for CAR and ARCs will need to be coordinated with the effective dates of the respective coverage changes.
- **Notices to Policyholder:** Separate policyholder notices were filed for Division of Insurance review to advise MAIP policyholders of the change to the physical damage maximum loss payable and the increase to the minimum mandatory liability coverage limits. Since the policyholder notices will have a limited, but potentially different time span for usage, CAR is recommending that both be provided to MAIP policyholders. Alternatively, a combined policyholder notice could be developed for use with MAIP policies.
- **Endorsement Forms:** The MA Mandatory Endorsement has been modified to reflect the increased minimum liability coverage limits and a new Physical Damage Maximum Loss Payable Endorsement introduced to indicate the physical damage coverage change. Since the changes to the mandatory endorsement are temporary pending updates to the Massachusetts Automobile Insurance Policy, CAR is recommending that the separate endorsement forms be attached to all MAIP policies. Alternatively, a combined endorsement could be developed for all MAIP policies.

March 18, 2025

## **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, and November 5, 2024 meetings.

#### **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.

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**A. Submitting an Application to the MAIP**

To obtain MAIP coverage for an Eligible Risk an Assigned Risk Producer (ARP) must submit an electronic application for private passenger motor vehicle insurance coverage to the MAIP.

ARPs must assure that the application for insurance through the MAIP is submitted on the prescribed form and that each application is completed accurately and thoroughly. An application that contains information the MAIP verifies as incorrect or an incomplete application will be returned to the producer for remedy. Once the application for coverage through the MAIP is received and all required information for the assignment of the policy is provided, the MAIP will assign a certification number to the application.

**B. Assignment of Application to a Member**

An application with a certification number will be randomly assigned to a Member based on its Quota Share as specified in Rule 29 – Assignment Process. The MAIP will notify the ARC of the policy assignment. The MAIP will notify the ARP of the identity of the ARC which will issue the policy and the effective date of the coverage.

Once the policy has been assigned to an ARC, after receiving such notice, the ARP is responsible for providing the ARC with the following items within two working days as specified in Rule 31.B.5.:

1. The original application form and any supplemental or additional information, signed by the applicant and the ARP, and if applicable, a copy of the voluntary premium quote or voluntary premium quote identification number; and
2. The required deposit premium as specified in Section C.1.

**C. Premium Deposit and Payment Options**

1. Amount of Premium Deposit

A deposit of the amount noted in Section C.1.a. shall accompany the application for MAIP coverage. The applicant, at his option, may choose to make a larger deposit payment. The deposit shall be in the form of a personal check, certified check, bank check, money order, premium finance company check or ARP's check made payable to the

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ARC. In the event that an ARP submits a dishonored check, issued either by the agency or by the ARP individually, on one or more occasions during a one-year period, future payments for the next 12 months must be submitted by certified check, bank check, or money order.

- a. If a voluntary quote is obtained by the ARP the new business deposit shall be determined based upon the lower of the MAIP quoted premium or the ARC voluntary quoted premium. The applicant will be required to provide a deposit of 30% with the deposit calculated using whichever total premium is less. If a voluntary quote is not obtained, a deposit of 25% of the MAIP quoted premium is required.

However, the applicant will be required to provide a premium deposit of 80% of the MAIP premium, or if known, 100% of the ARC's voluntary premium, if the applicant has during the preceding 24 months been issued a notice of cancellation for non-payment of an automobile insurance premium which resulted in the cancellation of that policy.

The ARC shall send the applicant a notice of any additional or return premium adjustment to the deposit premium at the same time as the issuance of the coverage selections page. The applicant may be required to pay any additional deposit premium within 30 days of the issuance of the coverage selections page, and the ARC may not issue a cancellation notice for non-payment of premium during this 30 day period. Any return premium adjustment to the deposit shall be sent to the applicant within 30 days of the issuance of the coverage selections page.

- b. A deposit of 20% is required for a renewal policy. An ARC may elect to require more than a 20% deposit for a renewal policy if the policyholder during the preceding 24 months has been issued a notice of cancellation for non-payment of an automobile insurance premium which resulted in the cancellation of that policy.
- c. All deposit, installment and additional premium payments shall be submitted gross of any commissions. Commission to the ARP will be paid in accordance with Rule 37 – Commissions.

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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 a policy change during the policy term which impacts the policy's premium no longer allowing for nine equal monthly installment payments, the ARC shall bill the remaining policy premium balance over the remaining number of installments.

If a late payment remains unremedied resulting in the issuance of a Statutory Notice of Cancellation, the ARC will calculate the balance due to rescind the cancellation notice. Should the cancellation notice be rescinded, the ARC shall bill the remaining policy premium balance over the remaining number of installments.

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.

5. Agency Acceptance of Payments

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Acceptance of payment by the ARP shall be viewed as a payment to the ARC.

6. Premium Financed Policies

The standards pertaining to premium financing for policies issued through the MAIP must be consistent with state laws and regulations.