



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

WEDNESDAY, JULY 30, 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 & Dedham Group
GEICO
Safety Insurance Company
Risman Insurance Agency, Inc.
A-Affordable Insurance
MAPFRE U.S.A. Corporation

AGENDA

MSC

25.01 Records of Previous Meeting

The Records of the MAIP Steering Committee meeting of March 18, 2025, 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 Committee should be prepared to consider the proposed amendments to the Assigned Risk Producer Procedures Manual - Chapter II - General Responsibilities, Chapter III - Eligibility Requirements, and Chapter IV - Application and Policy Assignment Process that address the implementation of the \$175,000 maximum physical damage limit of loss (Docket #MSC22.08, Exhibit #8).

MSC

25.05 Limited Assignment Distribution Agreement Procedures

The Committee should be prepared to discuss the recommended amendments to the Assigned Risk Company Procedures Manual – Chapter IV - Limited Assignment Distribution Agreement Procedures to describe annual monitoring procedures, clarify terminology, and eliminate unnecessary language (Docket #MSC25.05, 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
July 15, 2025

MAIP Steering Committee – July 30, 2025
Assigned Risk Producer Procedures Manual
Memorandum of Changes

The following amendments are proposed to Chapters II, III, and IV to address the implementation of a maximum physical damage loss of limit, effective January 1, 2026

Chapter II – General Responsibilities

A reference has been added to the list of ongoing ARP requirements to indicate that the producer is responsible for informing the risk, if applicable, of the maximum physical damage limit of loss and the lien holder of the maximum physical damage limit of loss. A sample insurance binder has been added as a new exhibit. Subsequent exhibit numbers have been updated as well as minor changes to improve the readability of the language.

Chapter III – Eligibility Requirements

A reference to the maximum physical damage limit of loss has been added to the Motor Vehicles Eligibility section.

Chapter IV – Application and Policy Assignment Process

A reference to the maximum physical damage limit of loss has been added to the Submission of Policy Information section.

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a 30% down payment based upon the lesser of the assigned ARC's voluntary rate or the MAIP rate must be collected. Inform the risk that upon receipt of the new business application and any supplemental information necessary to calculate the voluntary premium for comparison to the MAIP premium, the final premium will be determined and billed by the ARC.

If the voluntary rate quote option is not selected, a 25% down payment based upon the MAIP rate must be collected. The ARP must inform the risk that the final premium billed by the ARC may be less than the MAIP premium quoted, but it will not be more.

(5) Confirm each Massachusetts licensed operator's driving record with the RMV's current merit rating information. If the operator holds an out-of-state or foreign driver's license, the operator may obtain an official driving record or a record from a previous insurer and submit it to the ARC. If the driving record is not in English, a translation certified as true and correct by a translator must be obtained by the operator and attached to the driving record submitted to the ARC.

(6) Verify that the risk has not been and is not now in default in the payment of any motor vehicle insurance premiums in the past 24 months, including verification via the RMV's Uninsured Motorists System (UMS).

c. When applicable, inform the risk of the \$175,000 maximum physical damage limit of loss. For vehicles that are financed, the ACORD Insurance Binder must reflect that the limit of coverage shall not exceed \$175,000. Refer to Exhibit II-A-6.

d. Submit electronic applications for private passenger motor vehicle insurance coverage via the online MAIP Policy Application to obtain MAIP coverage. Verify that rating and licensing information provided by the applicant is accurate.

~~d.~~e. Submit the original application, signed by the applicant and the ARP, the required deposit premium, photocopy of out-of-state or foreign driver's license, if applicable, a copy of the voluntary premium quote or voluntary premium quote identification number as provided by the ARC, if applicable, and any other required additional or supplemental information, forms or certificates to the

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assigned ARC within two business days of an application being assigned a certification number. Additionally, report to the ARC all coverages bound, including modifications in coverage or additional coverage and all registrations and/or titles certified within two business days.

However, if after assignment to an ARC, the applicant fails to sign the application and remit the required deposit premium, refer to Chapter IV, Section B. of this Manual for procedures relative to voiding an assigned application.

e.f. Notify CAR and the ARC of suspected fraud in the application for insurance or in the underwriting or rating process or in the payment of premium obligations or surrounding a loss.

f.g. Cooperate with the ARC and CAR personnel during all audits and investigations of MAIP assigned business.

8. Service Fee Requirements

a. Prohibition from Accepting a Fee

An ARP and the ARP's employees are prohibited from accepting a fee or any other monetary or tangible property in connection with any of the following:

- (1) placing or negotiating insurance policies,
- (2) continuing or renewing insurance policies,
- (3) selling or offering to sell anything of value not specified in the policy of insurance, and/or
- (4) referring the insured or parties to an accident to any glass, repair or rental facility, or to any legal or medical provider.

b. Prohibition from Charging an Additional Fee

Charging an additional fee for any of the following services is prohibited:

- (1) certifying a registration on behalf of an ARC,

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- (2) placing the applicant's motor vehicle insurance business with an ARC,
- (3) providing assistance to the insured in the completion of the forms required to procure or to continue motor vehicle insurance, and/or
- (4) selling of a "service contract" which provides for service or advice relating to the issuance, continuance or renewal or an insured's motor vehicle insurance policy.

c. Allowable Fees

Producers may charge the applicant courier fees and other non-insurance related fees in any of the following situations:

- (1) the applicant is provided with a complete description of the non-insurance related services for which the fee is being charged,
- (2) the applicant is advised that there is no obligation to purchase the non-insurance related service,
- (3) the applicant agrees to pay the fee, and/or
- (4) the fee for the services provided is reasonable.

If the ARP enters into a contract to provide non-insurance related services to an applicant, in compliance with the above noted requirements, the ARP shall give an executed copy of the contract to the applicant and must retain an executed copy of the contract in the producer's file that must be made available to the ARC, Division of Insurance and CAR upon request.

9. Requirements Upon an Assigned Risk Company's Notification of Expiration of Policy Assignment

An ARC is required to provide an ARP with the list of policies that it elects to non-renew at the end of the three-year assignment period, at least 120 days in advance of the policy expiration date. The ARC will provide this notification on or about the first business day of each month.

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The ARP should attempt to obtain replacement coverage for the risk in the voluntary market, but if unable to do so, the ARP may resubmit the risk for placement through the MAIP. As long as the ARP submits the risk at least 60 days prior to the policy's expiration date and the new application 1) accurately identifies the policy effective date of the expiring policy as the new policy's policy effective date and 2) identifies that the driver's license number of the named insured is the same as that on the prior MAIP policy, the MAIP Policy Application will be able to verify that the insured has been assigned for three consecutive years to the same ARC. Special processing and assignment considerations will apply as follows:

- a. Upon assignment of the policy, a message in the Remarks section of the application will identify that the applicant is an expiring three-year former MAIP assignment.
- b. The application will be assigned to a different ARC than to which it was originally assigned. Upon policy assignment, the ARP must submit a Notice of Transfer of Insurer to the former ARC identifying the newly designated ARC.
- c. The MAIP Policy Application will calculate a MAIP premium amount, but the required down payment will be reflected as zero dollars. Under these circumstances, the ARP will not be required to collect a down payment from the risk at the time of the assignment.

However, if the ARP submits the risk for placement through the MAIP less than 60 days prior to the policy's expiration date, the MAIP Policy Application will calculate a new business down payment amount of 25% and the ARP must collect this amount from the risk and forward it to the newly assigned company along with the application and any required supplemental or additional information.

- d. The pre-inspection requirement will be waived provided that the vehicle(s) to be insured is the same as the vehicle(s) insured under the previous policy.

10. Requirements Relative to the Reporting of Assigned Risk Company Complaints

- a. ARC Violation Reporting

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Use the Non-Compliance link located on the MAIP Producer page of CAR's website to submit ARC violations of the established ARC Performance Standards. Refer to Exhibit II-A-~~6~~7 for a description of the ARC Performance Standards.

Create a complaint report online using the ARC Complaints link. Refer to Exhibits II-A-~~7~~8 and II-A-~~8~~9. The report will be forwarded to both the ARC and to CAR. The ARC will be provided ~~with~~ 5 business days to respond to CAR regarding the complaint. The ARC's response will also be forwarded to the ARP.

Once the ARC's response is received, CAR will review the complaint and any supporting documentation to determine the validity of the reported violation and the course of remedial action that may be necessary.

If CAR determines the complaint ~~to be~~is valid, or such complaint remains outstanding, CAR shall notify the ARC of the failure to comply with the approved performance standard(s) and request that the ARC institute corrective measures. The ARC will be required to notify CAR of corrective action in writing within 5 business days and may be required to address remedial action in a meeting with CAR and/or a committee of CAR.

b. Penalty Provisions

CAR will perform an analysis of each ARC's compliance with both Category I and Category II Performance Standards on a monthly basis. Exhibit II-A-~~6~~7 provides a description of the Category I and Category II Performance Standards.

1. Category I

A flat penalty of \$10,000 will be assessed for any validated infraction, or combined infractions.

2. Category II

If the number of validated infractions exceeds 2% of the ARC's in-force MAIP assigned policies based on the current twelve-month rolling total of assignments, and there exists a minimum of 10 validated infractions, a \$5,000 penalty will be assessed.

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Penalties will continue to accrue for validated infractions of both Category I and Category II Performance Standards newly identified in each month subsequent to the initial assessment, except that the validated infractions relating to the Commissions performance standard will be assessed a Category I penalty for infractions occurring during the 12-month period subsequent to the initial assessment.

c. Non-Compliance

Subsequent and repeated non-compliance with the performance standards by an ARC will result in notification of such non-compliance to the Commissioner of Insurance.

A licensed producer aggrieved by any unfair, unreasonable, or improper practice of CAR or another Member with respect to the operation of the MAIP, may request a formal hearing and ruling by the Governing Committee on the alleged practice pursuant to Rule 40 – Hearings, Review of CAR’s Rules of Operation. A Request for Review/Relief Form is located on the MAIP Producer page of CAR’s website (refer to Exhibit II-A-~~9~~10), under Forms.

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B. Producer Violation Reporting, Review, Certification Suspension or Decertification

CAR will assess each ARP's performance on a regular basis based upon validated producer violations reported to CAR by an ARC.

1. ARP Violation Reporting

ARCs report producer performance violations online to CAR using the Non-Compliance link located on the MAIP Company page of CAR's website. The violation report will be forwarded to both the ARP and to CAR. The ARP has 20 calendar days to respond to CAR regarding the validity of the alleged violation.

ARP responses to a reported performance violation should be provided using the Non-Compliance link located on the MAIP Producer page of CAR's website. To respond to or view a violation submitted by an ARC, click on the ARP Violations link. The response is completed online and a copy of the response is forwarded to the ARC (refer to Exhibits II-B-1 and II-B-2). CAR will validate the ARP's response and determine if further action is required.

Violations include failure to comply with the producer requirements specified in Rule 31 – Assigned Risk Producer Requirements of CAR's Rules of Operation as well as those requirements set forth in this Manual and include, but are not limited to, the following:

- a. the original application, additional or supplemental information and/or required down payment submitted to the ARC more than two business days from the date of assignment,
- b. insufficient down payment submitted (in accordance with Rule 28 – Application Process of CAR's Rules of Operation) including the failure to collect 80% of the calculated MAIP premium or 100% of the assigned ARC's voluntary premium, if known, if the insured's policy ~~had been~~was cancelled for non-payment within the preceding 24 months,
- c. application not eligible for MAIP coverage,
- d. information on the application for insurance coverage is misrepresented,

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Exhibit II-A-6

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 PHONE (A/C, No, Ext): FAX (A/C, No): CODE: SUB CODE: AGENCY CUSTOMER ID: INSURED AND MAILING ADDRESS	COMPANY BINDER # <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; text-align: center;">EFFECTIVE</td> <td style="width: 33%; text-align: center;">TIME</td> <td style="width: 33%; text-align: center;">EXPIRATION</td> <td style="width: 33%; text-align: center;">TIME</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> </tr> <tr> <td style="text-align: center;">AM</td> <td style="text-align: center;">PM</td> <td></td> <td style="text-align: center;">12:01 AM NOON</td> </tr> </table>		EFFECTIVE	TIME	EXPIRATION	TIME					AM	PM		12:01 AM NOON
EFFECTIVE	TIME	EXPIRATION	TIME											
AM	PM		12:01 AM NOON											
<div style="display: flex; justify-content: space-between;"> <div> THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #: </div> <div> DESCRIPTION OF OPERATIONS / VEHICLES / PROPERTY (Including Location) </div> </div>														
COVERAGES														
TYPE OF INSURANCE PROPERTY CAUSES OF LOSS <input type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input type="checkbox"/> SPEC	COVERAGE / FORMS	DEDUCTIBLE COINS % AMOUNT												
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 - COM/POP 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"/> ALL VEHICLES <input checked="" type="checkbox"/> SCHEDULED VEHICLES <input checked="" type="checkbox"/> COLLISION: <input checked="" type="checkbox"/> OTHER THAN COLL:		ACTUAL CASH VALUE Not to exceed STATED AMOUNT \$ \$175,000 <input checked="" type="checkbox"/> OTHER												
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														
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> ADDITIONAL INSURED LENDER'S LOSS PAYABLE </div> <div style="width: 45%;"> LOSS PAYEE <input type="checkbox"/> MORTGAGEE LOAN #: AUTHORIZED REPRESENTATIVE </div> </div>														

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ASSIGNED RISK COMPANY PERFORMANCE STANDARDS

Category I

A. Claims Performance

Claim adjustment practices and procedures shall be in accordance with the established Performance Standards and shall correspond with those followed for voluntarily written business.

B. Certificates of Insurance

The Assigned Risk Company (ARC) shall, at the request of the named insured or producer of record, issue certificates of insurance, which shall include SR-22 filings. Such certificates or filings must be provided within four business days after receipt of a request for same.

C. Cancellation – Insufficient Down Payment

The ARC may not cancel a policy for non-payment of premium if such premium deficiency is the result of an insufficient down payment. The ARC shall bill the policyholder for the amount of the deficiency, or otherwise incorporate the amount in future premium installments. If the policyholder fails to pay the minimum amount due, then the ARC may issue a statutory notice of cancellation for non-payment of premium.

D. Cancellation - Misrepresentation

To prevent wrongful cancellation, if during the underwriting process an ARC discovers third-party information that appears inconsistent with the information provided on the application for insurance, the ARC shall 1) initiate an inquiry either directly with the insured or through the producer of record to resolve any factual errors; and 2) obtain the insured's consent before issuing a notice of adjustment to the down payment and/or total premium. If the inquiry is made directly to the applicant the producer of record shall be furnished a copy.

If the resolution of an apparent inconsistency results in a change to information used to calculate premium, the ARC shall charge an appropriate premium based upon the additional or corrected information, and adjust the applicant's next bill accordingly. If however, the applicant is unwilling to consent to the modification, and the ARC has independent evidence that the applicant had the actual intent to deceive or the material misrepresentation increases the ARC's risk of loss, the ARC may cancel the policy as provided by Massachusetts law.

E. Reinstatement

If the reason for a cancellation or non-renewal has been remedied prior to the effective date, then the ARC shall reinstate the policy or issue the renewal.

F. Disputed Premium Recalculation

The ARC shall issue an endorsement recalculating premium within 15 days from the receipt of a determination validating an incorrect premium charge identified as a result of a complaint filed in accordance with ARC Performance Standard K – Premium Disputes.

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Category II

G. Policy Issuance

The ARC must issue a policy within 15 calendar days of the receipt of a completed application and any supplemental information needed to verify and appropriately calculate the premium for the coverages requested.

H. Endorsements

Any endorsement to an assigned policy, which includes all information necessary for processing, shall be issued within 15 calendar days of receipt.

I. Return Premiums

Return premium checks must be mailed within 30 calendar days of the effective date of the cancellation or endorsement generating the return.

J. Policy Changes

If policy changes are mailed directly to the insured, copies must be furnished to the Assigned Risk Producer.

K. Premium Disputes

The ARC shall reply within 15 calendar days to letters disputing the premium charged.

L. Commissions


Commission shall be paid no less frequently than monthly and shall be paid within 15 calendar days after the close of the month in which the commission was credited to the producer's account. Each payment will include a commission statement that contains the policy number, named insured, and amount of premium on which the commission has been calculated.

M. Cancellation Notices

A copy of each cancellation notice issued by an ARC shall be furnished to the producer of record.

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COMMONWEALTH AUTOMOBILE REINSURERS

999 - ANY NSURANCE AGENCY

Submit Complaints

Start an ARC complaint by selecting the associated assignment from the list below. The range of assignments can be filtered by changing the Start and End dates below.

Selection Criteria

Assignment Date

Start End

Jul ▼ 7 ▼ 2019 ▼ Jul ▼ 16 ▼ 2019 ▼

Assigned Applications

The list below shows MAIP assignments during the date range specified above. The certification number is the combination of company number, agency number, and MAIP ID. Results are limited to 1000 records. Create a complaint report by double-clicking a row or by selecting a row and then clicking the button below the list.


2 Records

<u>Cert. No</u>	<u>Company Name</u>	<u>Applicant</u>	<u>Policy ID</u>	<u>Pol. Eff. Date</u>	<u>Assign Date</u>	<u>Complaint</u>
999-99999-00001	Any Insurance Co	Applicant 1		7/15/2019	7/15/2019	
999-99999-00002	Any Insurance Co	Applicant 2		7/10/2019	7/10/2019	

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Exhibit II-A-89

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999 - ANY INSURANCE AGENCY	
Submit Complaint:	
Complete the following information. A copy of this complaint will be sent to CAR and to the Assigned Risk Company (ARC). Response from the ARC must be issued within 5 days of receipt of complaint. The ARC's response will be forwarded to the email supplied below. Once the ARC has responded, CAR will close the complaint and respond with any action or comments required. Multiple complaints may be submitted, each one identified by the complaint date.	
Complaint Date 7/16/2019	
Assignment Assigned Risk Company 999 - Any Insurance Company Named Insured (MAIP Policy) Applicant: I MAIP Application Certification No. 999-99999-00001 Assigned Risk Company Policy No.	
Complaint Select one or more of the following <input type="checkbox"/> Policy Processing Delay (original policy or subsequent endorsement not issued within 15 calendar days of the receipt of the assigned application or endorsement request, including any supplemental information necessary to process the request) <input type="checkbox"/> Policy Processing Delay (certificate of insurance not issued within 4 business days of request) <input type="checkbox"/> Return Premiums (within the 30 calendar days of the effective date of the cancellation or endorsement that results in a refund) <input type="checkbox"/> Policy Changes (copies must be furnished to the ARP if furnished to the policy holder) <input type="checkbox"/> Premium Dispute (failure to respond within 15 days of receipt of the complaint) <input type="checkbox"/> Premium Dispute (failure to recalculate premium) <input type="checkbox"/> Claims Performance (provide details below) <input type="checkbox"/> Commissioning (no less frequently than monthly and within 15 days after the close of the month in which the commission is credited to the producer's account) <input type="checkbox"/> Invalid, Improper, or Unreasonable Cancellation (insufficient down payment, material misrepresentation, provide details below) <input type="checkbox"/> Cancellation Notices (copies must be furnished to the ARP) <input type="checkbox"/> Reinstatement (failure to reinstate if the reason for cancellation or non-renewal has been remedied prior to the effective date) <input type="checkbox"/> Other (note below and provide details of complaint)	
Complaint Details <div></div>	
Producer Attachments File: <input type="button" value="Choose File"/> <input type="button" value="No file chosen"/> <input type="button" value="Attach"/>	
A completed copy of this complaint will be sent to the Assigned Risk Company for which they may submit a response. The email on file for this ARC is company@company.com.	
<input type="button" value="Submit Complaint"/>	

[illegible]

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2	Details of Aggrievement(s):	Provide specific detail for each reason for the requested review cited above, including references to violations of CAR or MAIP Rules, the agency contract, or established practices of CAR, MAIP or one of its Members. Include historical reference, where appropriate. Attach supporting documentation.
3	Actions(s) Taken to Date to Resolve the Matter:	State when you first became aware of each item/issue being contested and the steps taken to mitigate or resolve the matter prior to this request for a formal review. Attach supporting documentation.

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Scheduling of Review

Upon receipt of a completed Request for Review/Relief Form, a hearing date will be established within 15 business days. After a date has been confirmed, CAR will issue a written Notice of Meeting to all affected parties and in compliance with the Open Meeting Law.

Request for Continuance

A request for a continuance of a review of the matter by CAR will be granted upon the agreement of all parties. Absent the agreement of all parties, a request for a continuance must be presented to the assigned Committee for approval.

Submission of Written Information

Any parties wishing to present written materials to be considered by the designated Committee must submit them to CAR's Docket Clerk no later than 12:00 p.m., 5 business days prior to the scheduled meeting date. Timely submitted materials will be docketed by CAR and distributed to the Committee as soon as practicable. Written materials submitted to CAR after 12:00 p.m. on the 5th business day prior to the scheduled meeting date will not be entered on the docket, but the submitting party may petition the Committee directly for consideration of such materials. The Committee has the discretion to determine whether such materials will be considered in its deliberations. In addition, parties who petition the Committee for the submission of materials are expected to be prepared to provide a minimum of 25 copies at the meeting. Parties should provide copies of ALL written materials that they wish considered in the matter to the opposing party in concert with their submission(s) to CAR and/or the Committee.

*All written materials submitted must be in compliance with 201 CMR 17.00: Standards for the Protection of Personal Information of Residents of the Commonwealth, which implements the provisions of M.G.L. c. 93H. That is, any personal information that includes a Massachusetts resident's first and last name or first initial in combination with one or more of the following data elements that relate to such resident; a) Social Security number, b) driver's license or state-issued identification card number or c) financial account number (including an insurance policy number), or credit or debit card number, **must be redacted**. Any document submission determined to not be in compliance with the standards will result in the materials being returned to the sender for correction and may impact its distribution to the reviewing Committee.*


15 Day Waiver: Initial below if waiving the need for review within 15 business days:

I waive the 15 business day review while retaining rights to a review: (Initial): _____

**PLEASE NOTE: THIS FORM MUST BE COMPLETED AND RETURNED TO CAR
PRIOR TO THE INITIATION OF A FORMAL REVIEW PURSUANT TO
CAR RULE 20/MAIP RULE 40**

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Exhibit II-B-1



COMMONWEALTH AUTOMOBILE REINSURERS

999 - ANY INSURANCE AGENCY

Respond/View Violations

View or respond to violations submitted by an Assigned Risk Company by selecting the violations from the list below. Violations requiring a response have the Certification Number highlighted below. If you fail to respond to the alleged violations within 20 days of the violation receipt, the violation will be deemed valid. The range of violations can be filtered by changing the Start and End dates under Selection Criteria.

Selection Criteria

Violation Date

Start	End	Valid	Response
Jan ▼ 16 ▼ 2019 ▼	Jul ▼ 16 ▼ 2019 ▼	All ▼	All ▼

[Retrieve Data](#)

Violations

The list below shows violations during the date range specified above. The certification number is the combination of company number, agency number, and MAIP ID. Results are limited to 1000 records. View a violation by double-clicking a row or by selecting a row and then clicking the button below the list.

2 Records

Cert. No	Company Name	Applicant	Viol. Date	Policy ID	Response	Valid
999-99999-0001	Any Insurance Company	Applicant 1	4/30/2019		5/6/2019	
999-99999-0002	Any Insurance Company	Applicant 2	3/11/2019		3/13/2019	

[View/Respond](#)

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Exhibit II-B-2



COMMONWEALTH AUTOMOBILE REINSURERS

999 - ANY INSURANCE AGENCY	
Violation Response	
This violation of CAR Rule 31 In the Rules of Operation has been reported to CAR. Your response to the alleged violation is required. Validated violations of the Rule may result in the suspension or termination of the agency certification as an Assigned Risk Producer. Suspension and termination details may be found in the MAIP section of CAR's website.	
Response has been submitted	
Status	Submit Date 4/30/2019
Assignment	
Assigned Risk Producer Any Insurance Agency	
Named Insured (MAIP Policy) Applicant 1	
MAIP Application Certification No. 999-99999-0001	
Assigned Risk Company Policy No.	
Violations	
■ Other (note below)	
Violation Details	
Company Action	
Company Attachments	
Company Representative submitting violation	
Company 999 - Any Insurance Company	
Name	
Email for all responses regarding this form company@company.com	
Response	
Response Date 5/6/2019	
The ARP should complete the response in the space provided below and attach any supporting documentation using the attachment function. Acknowledged violations should include action taken by the agency to resolve such issues from occurring in the future. If the ARP fails to respond to the alleged violation(s) within 20 days of the violation receipt, the violation(s) will be deemed valid. The producer may include any documentation to support any refutation of the allegations.	
Assigned Risk Producer Response	
Producer Attachments	
File:	<input type="button" value="Choose File"/> <input type="button" value="No file chosen"/> <input type="button" value="Attach"/>
Producer/Agent making response	
Name Representative's Name	
Assigned Risk Producer Email producer@producer.com	
CAR Review	
Review Date 5/14/2019	
CAR Action	

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B. Applicants Not Eligible for MAIP Coverage

1. An Assigned Risk Company (ARC) is required to offer or continue to offer motor vehicle insurance to an applicant or insured except under the following circumstances:
 - a. if any person who usually drives the motor vehicle does not hold, is not eligible to obtain or fails to obtain a driver's license as required by law,
 - b. if the applicant or any person who usually drives the motor vehicle has failed to pay a company any premium due during the preceding 12 months, and/or
 - c. if the applicant has failed to make the motor vehicle(s) available for inspection pursuant to 211 CMR 94. In this circumstance, the applicant will not be entitled to physical damage insurance in accordance with Rule 27 – Coverages of CAR's Rules of Operation and no ARC will be required to offer or continue to offer physical damage coverage to the applicant.
2. An applicant that is otherwise eligible for insurance coverage is not eligible for placement through the MAIP if the applicant is one of two or more entities, in each of which the same person or group of persons or corporations owns a majority interest. None of such entities will be eligible for insurance through the MAIP if any of the entities have failed to meet its premium obligations as noted in Section B.1.b.

C. Motor Vehicles Eligible for MAIP Assignment

Any motor vehicle that may be insured under the standard Massachusetts Private Passenger Automobile Insurance Policy and that meets the private passenger definition in the Massachusetts Private Passenger Residual Market Automobile Insurance Manual is eligible for MAIP assignment.

For policies effective January 1, 2026 and later, Physical Damage coverage is subject to a maximum limit of loss of \$175,000 per vehicle.

D. Re-Eligibility Criteria

An applicant that is denied or is not eligible for insurance coverage through the MAIP or that has had insurance cancelled in accordance

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insurance related fraud or motor vehicle theft during the most recent five-year period or on a vehicle customarily driven or owned by applicants convicted within the most recent three-year period of any category of driving while under the influence of alcohol or drugs. Refer to Rule 27 – Coverages of CAR’s Rules of Operation for a full description of the applicable circumstances under which an ARC may deny physical damage insurance.

Producers must inform an applicant that meets the physical damage insurance coverage criteria specified in Rule 27 that although the applicant’s policy may initially be rated with physical damage coverage via the MAIP Policy Application, the assigned company will ultimately determine whether to issue the policy with physical damage insurance coverage.

d. Maximum Physical Damage Insurance Coverage

For policies effective January 1, 2026 and later, Physical Damage Coverage is subject to a maximum limit of loss of \$175,000 per vehicle.

e. Calculation of MAIP Policy Premium and Down Payment Amount

According to the limits and coverages selected, the MAIP Policy Application system will determine policy premium based upon the approved MAIP rates. Based upon the quoted MAIP premium amount, a 25% new business deposit premium will also be determined and displayed on the Coverage page.

In the situation where the applicant had previously been cancelled for non-payment of premium, refer to Rule 28.C. – Application Process of CAR’s Rules of Operation or to Section B.7.b. of this Chapter for information regarding additional premium collection requirements.

B. Assignment of an Application to an ARC

Once the application information is complete, the ARP must indicate whether the insured’s submitted down payment should be calculated based upon 25% of the quoted MAIP premium or 30% of the lower of either the assigned ARC’s voluntary premium or the MAIP premium. The MAIP Policy Application will then allow the ARP to submit the application for assignment and the policy will be assigned to the ARC

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Exhibit IV-B-1

Massachusetts Automobile Insurance Plan

Request for Reassignment of Assigned Risk Company

I, _____, the undersigned, hereby request that my personal automobile insurance policy which is currently being written by _____ as an Assigned Risk Company (ARC) for the Massachusetts Automobile Insurance Plan be reassigned to another ARC. I request that reassignment be made for the following reason(s):

(Please select at least one of the following and attach supporting documentation for each selection made)

- ☐ 1) The applicant or policyholder has previously been involved as a plaintiff in litigation with the ARC;
- ☐ 2) The applicant or policyholder is currently involved as a plaintiff in litigation with the ARC;
- ☐ 3) The applicant or policyholder filed a Consumer Complaint with the Division of Insurance against the ARC prior to the MAIP assignment;
- ☐ 4) The applicant or policyholder filed a Consumer Complaint with the Attorney General against the ARC prior to the MAIP assignment;
- ☐ 5) The applicant or policyholder has invoked his/her rights under a consumer protection statute regarding his/her relationship with the ARC (ie. insured has previously issued a 93A Demand Letter) prior to the MAIP assignment.

Important. Please Note: The insured bears the burden of producing adequate documentation sufficient to support a change of ARC within 30 days of the assignment. Failure to comply with this requirement will result in a denial of the insured's request for reassignment. Adequate documentation shall include at a minimum, though is not limited to, production of one the following: for 1) through 4), a copy of the complaint filed, including the certificate of service, if any, or for 5) a copy of the demand letter and any offer of settlement or other reply from the ARC responsive to the insured's demand made pursuant to a consumer protection statute. Pursuant to Rule 26.B.3., of CAR's Rules of Operation, reassignment will be made on a random basis. The insured does not have the right to request a particular ARC; an applicant has the right merely to ask for another assignment by the MAIP pursuant to its standard procedures. Note also that the applicant cannot seek reassignment if an outstanding premium balance is due.

Signature of Insured - Do Not Print

Street Address Apt. Number

City, State and Zip

Assignment Certification Number Received from MAIP

Date

Return completed form and documentation to:

Commonwealth Automobile Reinsurers
101 Arch Street, Suite 400
Boston, MA 02110
Attention: Lynne Rosenburg
Director – Operations and Residual Market Services

MAIP Steering Committee – July 30, 2025
Assigned Risk Company Procedures Manual
Memorandum of Changes

The following amendments are proposed to Chapter IV – Limited Assignment Distribution Agreement Procedures to include monitoring procedures, better clarify terminology and eliminate unnecessary language.

A. Limited Assignment Distribution Agreement

To ensure clarity of terms, language has been added to define a LADA Provider.

B. Eligibility Requirements for ARCs Receiving Assignments through LADAs and On-going Requirements

This section has been renamed and updated to better define the application process and requirements to become a LADA Provider, as well as the procedures that will occur if a LADA Provider fails to meet the eligibility requirements.

C. Approval of Limited Assignment Distribution Agreements

This section has been rewritten to describe CAR's review of LADA contracts. Language duplicating that included in the Rules of Operation has been deleted.

D. Calculation of Assignment Volume Limitation

References to ARC have been changed to LADA Provider to ensure consistency and clarity of terms.

E. Eligibility Requirements for a Member to be Excused from its Servicing Carrier Obligation

Additional information has been included to better describe the requirements of the market share waiver request letter. Monitoring procedures have been moved from this section to a later section reflecting monitoring procedures for all aspects of the LADA participants.

F. (old) Review of MAIP Quota Share Premium Volume

This section has been deleted as it duplicates language in the Rules of Operation and describes LADA eligibility impacts when the MAIP quota share premium is less than \$5 million.

F. (new) Monitoring an ARC's Assignment Volume Limitation

References to ARC are changed to LADA Provider to ensure clarity of terms.

G. Annual LADA Review Procedures

A new section has been added to describe the review procedures and associated time frames that CAR Staff will perform annually to ensure the continued eligibility of LADA Providers and Members, with and without market share waivers.

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A. Limited Assignment Distribution Agreement

A Member may enter into a Limited Assignment Distribution Agreement (LADA) with an Assigned Risk Company (ARC), under which the Member transfers to the ARC, its obligation to provide private passenger motor vehicle insurance policies to risks assigned through the MAIP. To ensure clarity of terms, an ARC approved to assume such obligations is referred to as a LADA Provider in this Chapter.

A LADA must provide that ~~an ARC~~ the LADA Provider will assume liability for and directly service all of a Member's MAIP assignments and will receive additional MAIP assignments on behalf of the Member in exchange for a negotiated fee. The ~~ARC~~ LADA Provider must offer the same premiums and provide the same level of service to the Member's MAIP assignments as it does to its own MAIP assignments. ~~The Member must assure that the ARC with which it has contracted complies with all MAIP Rules, state laws and regulations.~~

For additional information relative to Limited Assignment Distribution Agreements, refer to Rule 36 – Limited Assignment Distribution Agreements of CAR's Rules of Operation.

B. ~~Eligibility Requirements~~ Application Process for Approval of an ARCs to Enter into Receiving Assignments through LADAs and On-going Requirements

~~In order to~~ To be eligible to enter into a LADA with ~~provide assigned risk services to~~ another Member, an ARC must initially submit ~~an request application~~ letter to CAR with a copy to the Commissioner of Insurance. The application letter must demonstrate that the ARC meets the eligibility requirements set forth in CAR Rule of Operation 36.B., Eligibility Requirements for ARCs Entering into LADAs. CAR will verify that the company writes at least 1% of the Massachusetts voluntary private passenger property damage liability direct written exposures, as defined in Rule 29.A., ~~and also meets the eligibility and other market share operating requirements contained in Rule 36.B. Limited Assignment Distribution Agreements of CAR's Rules of Operation~~ and that the ARC satisfies the responsibilities and requirements contained in Rule 30 – Assigned Risk Company Requirements ~~of CAR's Rules of Operation~~. CAR will report its findings make its recommendation to CAR's the Governing Committee, and upon Governing Committee approval, CAR will submit the ARC's

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~~application request~~ to the Commissioner of Insurance for
~~approval~~consideration.

Note that the Commissioner may also consider a LADA application from a company that does not meet the established market share and premium to surplus ratio requirements specified in Rule 36.

If, at any time, an ARC fails to meet one or more of the eligibility requirements, the ARC must immediately notify CAR. If it is verified that an ARC no longer meets one or more of the eligibility requirements, CAR will provide written notification to the ARC and the Commissioner of Insurance. CAR's Governing Committee may take action as it deems necessary, such as providing the ARC with a period of time to remedy the cause of ineligibility or recommending termination of the ARC's ability to serve as a LADA Provider.

C. Approval of Limited Assignment Distribution Agreements

~~CAR will review all LADA contracts and will assure that the LADA contains a provision that the Member's in force MAIP policies at the time of the execution of the LADA will continue to be serviced by the Member until expiration. The LADA must also state that at least 45 days prior to policy expiration date, the Member will issue a non-renewal notice and the ARC will provide the policyholder and the producer of record with a renewal offer. The ARC will be obligated to renew the policy for the remainder of the original three-year assignment period.~~

CAR will review all LADA contracts to ensure:

1. that the provisions of the LADA are consistent with all CAR Rules of Operation including but not limited to Rule 36.A, I and J.
2. that approval of the LADA is not anticipated to result in the ARC exceeding the Assignment Volume Limitation as defined in Rule 36.C.

Upon approval of the LADA by the Governing Committee, ~~Once the LADA has been approved, all~~ assignments with effective dates specified in the LADA for the all Members ~~subject to the LADA~~ will be made to the LADA ProviderARC.

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D. Calculation of Assignment Volume Limitation

When the MAIP quota share premium is greater than \$5 million, each ~~ARC-LADA Provider with a LADA~~ will be subject to a limitation on the additional MAIP assigned exposures it may write on behalf of other Members. The limitation represents the maximum percentage of the total MAIP assignments that an ~~ARC-LADA Provider~~ may service through LADAs. This limitation is calculated ~~established~~ monthly ~~and monitored~~ as follows:

1. For each Member, determine voluntary market share, as specified in Chapter X.A.1. – Quota Share and Credit Programs of this Manual for the most recently available 12 policy effective months. Refer to Exhibit IV-D-1, Columns (A) and (B).
2. Identify the voluntary market share of those Members eligible to enter into LADAs, i.e. those with less than or equal to 5% voluntary market share and those granted a waiver of the market share criteria by the Commissioner of Insurance. Refer to Exhibit IV-D-1, Column (C), and Row (1).
3. Identify the number of ARCs actively receiving assignments through LADAs, including only those ARCs having a market share of at least 10% of all MAIP assignments made under LADAs. Refer to Exhibit IV-D-1, Columns (E), (F) and (G) and Row (2).
4. Calculate the assignment volume limitation percentage by dividing the market share of Members eligible to enter into LADAs as calculated in Section D.2. by the number of active ~~ARCs-LADA Providers~~ receiving assignments through LADAs as identified in Section D.3. and then add 10%. Refer to Exhibit IV-D-1, Row (3).
5. Calculate the maximum assignment volume of quota share premium that can be written by an ~~ARC-LADA Provider~~ through LADAs as the assignment limitation percentage as determined in Section D.4. times the total MAIP quota share premium from the current Quota Share Report and described in Chapter X.A.2. of this Manual. Refer to Exhibit IV-D-1, Rows (3), (4) and (5).
6. For each ~~active-ARCLADA Provider~~ receiving assignments through LADAs, identify the volume of assignments received through LADAs. Refer to Exhibit IV-D-1, Column (D) and Row (6).

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E. Eligibility Requirements for a Member to be Excused from its Servicing Carrier Obligations

A Member may be excused from its Servicing Carrier obligations and be eligible to enter into a LADA with an ARC if the Member has a MAIP Quota Share and writes five percent or less of the Massachusetts voluntary private passenger direct property damage liability written car years of exposure as defined in Rule 29.A.1. – Assignment Process of CAR’s Rules of Operation and in Section A.1. of Chapter X – Quota Share and Credit Programs of this Manual.

~~Those~~ Members with a market share of five percent or greater may apply to the Commissioner of Insurance to waive the market share requirement. Members requesting the market share waiver must submit a request letter to the Commissioner of Insurance with copy to CAR. The letter should describe how approval of the waiver will serve in the best interest of the residual market.

~~CAR will monitor the continued eligibility of those Members that have previously entered into a LADA with an ARC. If a Member is no longer eligible, the Member and the Governing Committee will be notified and the Member will be required to seek a waiver from the Commissioner of Insurance. If a waiver is not granted or revoked, CAR will notify the Member and LADA provider by June 30 that the LADA will terminate expire on the contract expiration date or as of December 31 of that calendar year, at the end of 90 days, whichever is later.~~

F. Review of MAIP Quota Share Premium Volume

~~CAR will monitor the MAIP quota share premium volume as follows and will report its findings to the Governing Committee.~~

- ~~1. In accordance with Rule 36.G. – Limited Assignment Distribution Agreements of CAR’s Rules of Operation, if the MAIP quota share premium is \$10 million or less, the eligibility requirements for Members to be excused from their Servicing Carrier obligations are waived. In this case, any Member with a MAIP Quota Share may enter into a LADA.~~
- ~~2. If the MAIP quota share premium exceeds \$10 million, the Governing Committee, as it deems appropriate, may reinstate the~~

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~~five percent market share eligibility requirement, solicit for additional ARCs to service MAIP business under LADAs, continue to offer all Members with a MAIP Quota Share the option to enter into a LADA, or take any other appropriate action.~~

F. Monitoring an ~~ARC's~~ LADA Provider's Assignment Volume Limitation

The Limited Assignment Distribution Agreement (LADA) Volume Limitation report is posted to the MAIP website monthly.

CAR will review the volume of MAIP assignments written by ~~ARCs~~ LADA Providers under LADAs on a monthly basis in order to determine the ~~ARC's~~ LADA Provider's capacity to continue to accept MAIP assignments under LADAs.

~~If an assignment volume limitation exists under Rule 36.C. and as described in Section D. of this Chapter, CAR's review will include an estimate as to when an ARC might approach, meet, or exceed the limitation. CAR will provide the ARC and the Governing Committee with written notification on the status of the ARC's capacity to continue to accept MAIP assignments under LADAs.~~

If an ~~ARC~~ LADA Provider servicing MAIP assignments exceeds or is expected to exceed the established assignment volume limitation, CAR will notify the ~~ARC~~ LADA Provider and the Governing Committee will be notified. The ~~ARC~~ LADA Provider will be provided with at least 20 days advance written notice of the Governing Committee meeting at which the matter will be discussed. The Governing Committee will consider remedies as described in Rule 36F. During the period between notification to the ~~ARC~~ LADA Provider and the date of the Governing Committee meeting, the ~~ARC~~ LADA Provider may continue to accept assignments under its LADAs. ~~The Governing Committee may prevent the ARC from entering into any new LADAs, solicit for additional ARCs to offer LADAs or take another appropriate action.~~

G. Annual LADA Review Procedures

CAR will annually monitor the continued eligibility of each ARC serving as a LADA Provider, the eligibility of each Member that has been excused from its Servicing Carrier obligations, and existing market share waivers that have been approved by the Commissioner of

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Insurance. The procedures described below will ensure that Members and LADA Providers are notified by June 30 that a LADA will terminate as of December 31 of that calendar year in the event a Member's market share waiver is revoked by the Commissioner of Insurance, or a Member is otherwise no longer eligible to be excused from its Servicing Carrier obligations, or the LADA Provider is no longer eligible to provide LADA services.

1. No later than January 1, CAR will confirm the eligibility of ARCs serving as LADA Providers pursuant to the eligibility requirements set forth in Rule 36.B and C. CAR will also solicit confirmation from the LADA Providers that all existing LADA contracts have been renewed for the upcoming year. Finally, CAR will confirm the quality of the LADA Providers' data reporting, policy processing, and claims handling pursuant to the ARC responsibilities outlined in Rule 30.

If it is verified that a LADA Provider no longer meets one or more of the eligibility requirements to provide LADA services, CAR will ~~provide~~ issue written notification to the LADA Provider and the Commissioner of Insurance. CAR's Governing Committee may take action as it deems necessary, such as providing the LADA Provider with a period of time to remedy the cause of ineligibility or recommending termination of the ARC's ability to serve as a LADA Provider.

2. No later than March 1, Members with market share waivers must notify the Commissioner whether they request a continued waiver or if they intend to assume direct responsibility for MAIP assignments. Members wishing to renew the waiver should describe why doing so would be in the best interest of the residual market and include any other supporting information it considers appropriate for consideration.
3. No later than April 1, CAR will forward to the Commissioner a March quota share report updated with January statistical data, reflecting the market shares of all Members, including those requesting continued market share waivers. CAR will also forward the most recent LADA Volume Limitation Report, demonstrating the capacity for MAIP business to be written by each LADA provider.

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4. Upon receipt of the Commissioner's decision, if the waiver(s) are continued, no further action is needed. If the waiver(s) are revoked, the Member must prepare to service MAIP assignments directly for policies effective the following January 1 and later, including satisfying all obligations described in Rule 30.