



NATALIE A. HUBLEY  
PRESIDENT

# COMMONWEALTH AUTOMOBILE REINSURERS

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## RECORDS OF MEETING

### MAIP STEERING COMMITTEE – AUGUST 14, 2024

#### Members Present

Mr. Barry Tagen – Chair  
Mr. William Cahill <sup>(1)</sup>  
Ms. Jennifer Castoldi <sup>(2)</sup>  
Mr. Matthew Cote  
Ms. Sheila Doherty  
Mr. Cory Hanson  
Ms. Jean Houghton  
Mr. Robert Jackson  
Ms. Mary McConnell  
Mr. Henry Risman  
Mr. Mark Winiker

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

#### Substituted for:

<sup>(1)</sup>Mr. Shaun Farley  
<sup>(2)</sup>Mr. Gavin Traverso

#### Not in Attendance:

Ms. Ida Denard Jones, Denard Insurance Agency, Inc.

#### MSC

##### 24.01 Records of Previous Meeting

The Committee unanimously voted to approve the records of the MAIP Steering Committee meeting of May 30, 2024. The records have been distributed and are on file.

#### MSC

##### 22.08 MAIP Physical Damage Maximum Loss Payable

Attorney Benjamin Hincks, CAR Counsel, advised the Committee regarding the status of the legal review by the Division of Insurance of CAR's rate/rule/form filing establishing a maximum physical damage payable loss limit. He stated that the Division of Insurance questioned if the filing was consistent with the language of CAR's enabling statute MA G.L.c.175, §113H and the requirement that the assigned risk plan shall provide for the availability of collision or comprehensive coverage as both are defined in other statutory provisions of G.L.c.175, §113H and §90. The question posed relates to whether it is permissible in Massachusetts to set a physical damage limit at some value other than the actual cash value of the vehicle minus the applicable deductible. CAR Staff and Counsel have reviewed the statutory

language, the legislative history, and evaluated other instances in the marketplace where physical damage limits are set at a value other than the actual cash value. Counsel has communicated this review to the Division of Insurance and CAR's conclusion that the \$175,000 maximum loss payable is permissible under Massachusetts law and the Division of Insurance has taken this response under advisement.

Ms. Lynne Rosenberg reviewed with the Committee procedural questions received by CAR in anticipation of systems changes necessary to implement the maximum loss payable. She noted one question for Committee discussion involved whether endorsement MP-0004 should be attached to all policies including those that do not have physical damage coverage. Citing the need for consistent procedures, the Committee agreed that the endorsement should be attached to all policies. Ms. Natalie Hubley explained that when the endorsement form was initially drafted, the scenario where physical damage coverage was not selected on a policy was not addressed. Ms. Hubley recommended that language be added to the endorsement form that refers to the physical damage coverage as reflected on the Coverage Selections Page to ensure that the endorsement does not conflict with the policy language. The Committee agreed and Ms. Hubley advised that the filing will be amended accordingly.

## **MSC**

### **24.04 Rule 30 – Assigned Risk Company Requirements**

At the previous meeting, the Committee approved amended language to Rule 30 – Assigned Risk Company Requirements of the Rules of Operation Section C.1.c. reducing the number of days from 90 to 60 that an ARC must notify the producer of record of its intent to make a voluntary offer to a MAIP insured.

Ms. Rosenberg informed the Committee that, upon further review of the Rule, the amended language conflicts with language later in the Rule that allows the producer 45 days to obtain replacement coverage in the voluntary market before notification is sent to the policyholder. Accordingly, Ms. Rosenberg advised that to ensure consistency with the original proposal, the proposed revised Rule language attached to the Notice of Meeting reflects a 15-day advance notice period for the producer to obtain replacement coverage.

The Committee considered the amended Rule language noting no objection to the reduced 15-day advance notice period.

**The Committee unanimously voted to recommend to the Governing Committee approval of the proposed amendments to Rule – 30 Assigned Risk Company Requirements.**

## **MSC**

### **24.05 Residual Market Private Passenger Volume**

Ms. Wendy Browne reviewed the exhibits attached to the agenda regarding assignment and exposure volumes, residual market share, and retention rate statistics. She noted that the most current data continues to show a slight decrease in the volume of MAIP assignments. She further noted that the overall increase in assignment data for most agencies was consistent with the increases at the industry level. Accordingly, she advised that CAR Staff had contacted a sample of producers with significantly increased assignment activity to solicit feedback on the factors driving the increase. Based on the producer feedback, Ms. Browne cited restricted underwriting guidelines, an increase in number of walk-ins, company volume limitations on new business, and the increased number of new operators due to the Family Work and Mobility Act as the main contributing factors.

Ms. Browne advised that, due to the elimination of the producer code from the statistical reporting, data is unavailable to evaluate the changes at the producer level in the context of total market volumes. She indicated that the Committee could consider alternatives to collect additional information if it determined the need exists for further evaluation.

The Committee considered the exhibits presented and observed that the market has stabilized somewhat, and the improvement is expected to continue. Committee members noted the residual market rate change in May, the upcoming change to the increase limit factors in November, and carriers beginning to write more voluntary business and predicted that these factors will continue to provide benefits in stabilizing the market. The Committee members agreed that no further action is required at this time.

## **MSC**

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

Ms. Rosenberg informed the Committee that an appeal was made by a producer involving a practice of an Assigned Risk Company (ARC) demanding payment in full of the remaining policy premium balance upon issuance of a third cancellation notice. She noted both the Market Review Committee, and the Governing Committee Review Panel agreed some uncertainty exists under the current Rule and applicable regulations with respect to the remedies available to ARCs when installment payments are late. Ms. Rosenberg explained that the Market Review Committee requested the matter be directed to the MAIP Steering Committee for discussion and possible clarification of Rule 28.C.2. of CAR's Rules of Operation - Premium Deposit and Payment Options - Installment Plan to ensure consistent procedures for all ARCs.

Ms. Sheila Doherty further explained that the Market Review Committee concluded, while the demand for full payment is not unfair, unreasonable, or improper, Rule 28 does not clearly indicate whether the practice is allowed, nor under what circumstances. Accordingly, she suggested that the MAIP Steering Committee consider clarifying the Rule to allow the practice or alternatively recommend amendments to better define remedies available to ARCs. Ms. Mary McConnell pointed out Rule 28.C.2. as written places the onus on the insured to pay over nine equal monthly installments, rather than defining how the ARC will calculate the monthly installments. Further, she pointed out that equal payments are impossible in scenarios such as non-payment, late payment, or endorsement activity. Ms. McConnell suggested that the Rule be amended to address these issues.

Considerable discussion ensued during which Mr. Jason Calianos, of the Calianos Insurance Agency, disputed the need for any clarification of the Rule and opined that the Rule language is clear as written. Ultimately, the Committee members agreed that amendment of the Rule is necessary to clearly define how ARCs will modify monthly payments if nine equal installments become impossible. Accordingly, the Committee voted unanimously to direct Staff to draft amendments to Rule 28.C. pursuant to the Committee discussion. Further, Staff is directed to review Rule 28.C. in its entirety when drafting applicable amendments to address issues such as cancellation notices as warranted.

ADRIANNE DONOVAN  
Residual Market Services Liaison

Boston, Massachusetts  
September 4, 2024

**ATTACHMENT LISTING**

Docket #MSC24.02, Exhibit #3

Attendance Listing

**MAIP STEERING COMMITTEE MEETING  
MEETING ATTENDEES  
AUGUST 14, 2024**

Individual's Name

Company / Agency

PLEASE PRINT

Barry Tagen	Pilgrim Insurance Company
William Cahill	Vermont Mutual Insurance Group
Matthew Cote	Arbella Insurance Group
Sheila Doherty	Doherty Insurance Agency, Inc.
Cory Hanson	The Hanover Insurance Company
Jean Houghton	Norfolk and Dedham Group
Robert Jackson	GEICO
Mary McConnell	Safety Insurance Company
Henry Risman	Risman Insurance Agency, Inc.
Mark Winiker	A-Affordable Insurance Agency, Inc.
Jennifer Castoldi	MAPFRE U.S.A. Corporation
Qianyi Zhao	MAPFRE U.S.A. Corporation
Jason Calianos	Calianos Insurance Agency
Ronald Martin	Preferred Mutual Insurance Company
Laura Poulin	MAIA
Kathy Cormier	MAIA
Mary Ellen Thompson	Division of Insurance
Jessica Sparks	Quincy Mutual Group
Andrew Lajzer	Safety Insurance Company
Steven Torres	TSH & D – CAR Counsel
Benjamin Hincks	TSH & D – CAR Counsel
Wendy Browne	CAR Staff
Shannon Chiu	CAR Staff
Richard Dalton	CAR Staff
Adrienne Donovan	CAR Staff

**MAIP STEERING COMMITTEE MEETING  
MEETING ATTENDEES  
AUGUST 14, 2024**

Individual's Name

Company / Agency

PLEASE PRINT

Natalie Hubley	CAR Staff
Timothy Galligan	CAR Staff
Cheryl Kopas	CAR Staff
Katy Proctor	CAR Staff
Lynne Rosenburg	CAR Staff
Robin Tigges	CAR Staff