

A. Eligibility Requirements

1. Applicants Eligible for the MAIP

- a. A completed, signed application for assignment submitted to the MAIP, shall constitute a certification by the applicant, or his duly authorized agent submitting the application on his behalf, to the effect that the applicant has attempted within 15 days prior to the date of application, to obtain motor vehicle insurance in the voluntary market and that he has been unable to obtain such insurance through a voluntary policy.
- b. An application shall be considered in good faith if the applicant reports all information of a material nature and does not make incorrect or misleading statements in the prescribed application form, or does not fall within any of the prohibitions or exclusions shown in section A.3 of this Rule.
- c. The MAIP shall be available to residents and non-residents of the state only with respect to motor vehicles that are registered or will be registered in the state within fifteen (15) days, except that nonresidents who are members of the United States military forces shall be eligible with respect to motor vehicles registered in other states provided such military nonresidents are stationed in this state at the time application is made and are otherwise eligible for insurance under the Plan.

2. Motor Vehicles Eligible for Assignment

The MAIP shall accept for assignment applications to insure all types of motor vehicles that may be insured under the standard private passenger Massachusetts Automobile Insurance Policy pursuant to the Private Passenger Automobile Insurance Manual published by the Automobile Insurers Bureau ("AIB").

3. Applicants Not Eligible for the MAIP

- a. No Member is required to offer or continue insurance to any applicant or insured in any of the following circumstances:

- (1) If any person who usually drives the motor vehicle does not hold or is not eligible to obtain an operator's license or fails to obtain such license as required by law; or
 - (2) If the applicant or any person who usually drives the motor vehicle has failed to pay an insurance company any motor vehicle insurance premiums due or contracted during the preceding twelve (12) months; or
 - (3) An applicant shall not be entitled to physical damage insurance as defined in Rule 27 nor shall any ARC or LADC be required to offer or continue to offer physical damage insurance if the applicant has failed to make the vehicle(s) available for inspection pursuant to 211 CMR 94.
- b. An applicant who is eligible for insurance shall not be placed in the MAIP in any of the following circumstances:
- (1) If a person obtains insurance through a group marketing plan pursuant to G.L. c. 175, § 193R; or
 - (2) 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 shall be eligible for insurance under the MAIP if any of such entities has failed to meet its premium obligations as outlined above. If an entity owns the majority interest in another entity that in turn owns the majority interest in another entity, all entities so related shall be considered under the same majority ownership for purposes of this part.

B. Reassignment Rights

1. A Member shall provide coverage to each applicant assigned to it. However, subject to sections B.2 and B.3 of this Rule, an applicant or policyholder may subsequently request reassignment to another Member if the applicant or policyholder can establish any one of the following:

- a. the applicant or policyholder has previously been involved as a plaintiff in litigation with the Member;
 - b. the applicant or policyholder is currently involved as a plaintiff in litigation with the Member;
 - c. the policyholder of a Member filed a Consumer Complaint with the Division of Insurance against such Member prior to the MAIP assignment;
 - d. the policyholder of a Member filed a Consumer Complaint with the Attorney General against such Member prior to the MAIP assignment; or
 - e. the applicant or policyholder has invoked his/her rights under a consumer protection statute regarding his/her relationship with the Member (i.e. applicant has previously issued a Chapter 93A Demand Letter) prior to the MAIP assignment.
2. To request reassignment, an applicant or policyholder must complete the Request for Reassignment Form found in the MAP and provide the necessary documentation required by such Form no later than thirty (30) days following: (1) the date of the initial assignment to the MAIP, or (2) the annual policy renewal date.
 3. Consistent with Rule 29.G.3, at no time may an applicant or a policyholder request reassignment to a different Member if any outstanding premium balance is due the Member. Furthermore, an applicant or a policyholder may not for any reason request reassignment to a specific Member under this subsection.

C. Clean-in-Three Risks

All Clean-in-Three Risks with renewal dates during the period April 1, 2008 through March 31, 2011, shall not be non-renewed by a Member, subject to the exceptions identified in Rule 21.C.

D. Re-Eligibility for the MAIP

Applicants eligible for assignment in accordance with Section A. are subject to the following re-eligibility requirements.

1. New Application

Any applicant denied insurance under Section A or cancelled under Section E of this Rule may reapply to the MAIP as soon as the cause of ineligibility is removed.

- a. Applicants cancelled for nonpayment of premium may reapply for assignment at any time provided no earned premium is owed the previous assigned company.
- b. If an applicant cancelled for nonpayment of premium reapplies, provided such applicant is otherwise eligible, the application shall be accompanied by the deposit prescribed in Rule 28.
- c. Such application shall be considered a new application and the applicant shall be assigned to a company in accordance with the provisions of Rule 29 or reassigned to the prior company, if applicable, in accordance with Rule 29.

2. Renewal Application

Any policyholder who fails to pay the renewal premium quoted by the assigned company in accordance with these Rules, may reapply for assignment at any time.

- a. If the applicant reapplies, provided the applicant is otherwise eligible, the application shall be accompanied by the deposit prescribed in Rule 28.
- b. Such application shall be considered a new application and the applicant shall be assigned to a company in accordance with the provisions of Rule 29.

E. Cancellations

Nothing in these Rules should be construed to change the statutory obligations of companies to their producers or policyholders with regard to policy non-renewal or cancellation.

1. Cancellation at the Request of the Policyholder

If for any reason the policyholder requests cancellation of his policy, the return premium to be refunded to him shall be calculated at 0.90 of the pro rata unearned premium for the period of coverage or the sum of \$25 per motor vehicle or policy, whichever is greater, except in any of the following cases when the return premium shall be computed pro rata:

- a. If the policyholder has disposed of the motor vehicle, provided the policyholder obtains a new policy with the same company on another motor vehicle to become effective within thirty (30) days of the date of cancellation;
- b. If the insured motor vehicle is repossessed under the terms of a financing agreement;
- c. If a motor vehicle is cancelled from a policy, the policy remaining in force on other motor vehicles; or if a concurrent motor vehicle policy, with the same company, but covering another vehicle, remains in force in the name of the policyholder or his spouse, if a resident of the same household;
- d. If the policyholder enters the armed forces of the United States of America;
- e. If the insured motor vehicle is stolen or destroyed (total or constructive total loss) and cancellation is requested by the insured within thirty (30) days following the date the motor vehicle is stolen or destroyed; or
- f. If the policyholder requests cancellation of a policy because coverage has been replaced in the voluntary market, and provides the assigned company written confirmation of the replacement coverage.

2. Cancellation by the ARC or LADC

- a. An ARC or LADC that has issued a policy under the MAIP shall have the right to cancel the insurance for reasons permitted under Massachusetts law, and by giving notice as required in the policy.
- b. Each such cancellation shall be on a pro rata basis, subject to a minimum premium of \$25 per motor vehicle or policy whichever is greater, with the balance returned to the policyholder. A copy of each such cancellation notice shall be furnished to the producer of record. A statement of facts in support of each such cancellation, as is required for a statutory notice of cancellation, shall be furnished to the producer of record and to the policyholder twenty (20) days prior to the effective date of cancellation.

Cancellation shall be effective on the date specified and coverage shall cease on that date.

No coverage will be effective if the policyholder's premium remittance that accompanies the application is justifiably dishonored by the financial institution.

If the ARC or LADC issues a cancellation notice for nonpayment of premium to the policyholder and the policyholder's remittance received by the ARC or LADC subsequent to the issuance of such cancellation notice is justifiably dishonored by the financial institution, the policy will terminate on the date and time shown on the cancellation notice issued for nonpayment of premium.

Nothing herein shall be deemed to affect the right of the ARC or LADC to rescind a policy for fraud, misrepresentation, or if the policyholder's premium remittance that accompanies the application is justifiably dishonored by the financial institution, or to invoke other remedies provided by law.

3. Minimum Refund

At the time of cancellation, the policyholder shall be notified that any unearned premium amounts under \$5 will be refunded only upon the policyholder's request.