

A. Assigned Risk Company and Limited Assignment Distribution Company Terminations

1. Terminations by the MAIP

In the event that it becomes necessary for the Governing Committee to terminate a Member from the MAIP, notice shall be given in writing by the Chairman of the Governing Committee to the Chief Executive Officer of the Member. Such notice shall specify a period of time of no less than six (6) months or such earlier time as the parties may mutually agree, at which time the MAIP will no longer assign new business to the ARC. The notice to the terminating Member will further stipulate that the Member will be expected, in good faith, to the best of its ability, to continue to provide service on existing policies as required under the Rules of Operation until the expiration date following the effective date of the termination notice unless the parties shall have mutually agreed to other arrangements for the service of such policies.

In the event an ARC or LADC experiences unanticipated or unusual operational difficulties that would impair its ability to continue to meet the established ARC or LADC performance standards, the Governing Committee, subject to the approval of the Commissioner, may take such action as it may deem appropriate to alleviate the difficulties. Such actions by the Governing Committee shall be taken when it is evident the interest of the insuring public and the industry would be better served.

Nothing in this section shall in any manner be deemed to act to modify or reduce an ARC's or LADC's obligations under the Plan, Rules of Operation, or Manual of Administrative Procedures.

2. Approval by the Commissioner of Terminations by the MAIP

No termination of an ARC or LADC will become effective until approved by the Commissioner. In granting his approval, the Commissioner will consider the impact of such termination on policyholders, producers and brokers, and the market for motor vehicle insurance.

3. Terminations by the Commissioner

The Commissioner may terminate any ARC or LADC which he/she determines to have violated the standards established for ARCs and LADCs in these Rules or the Plan or if he/she finds that the operation or financial stability of such ARC or LADC presents a danger to the interests of policyholders or the continued operation of the MAIP or will create substantial market disruption.

B. Members Electing to Withdraw from the Massachusetts Private Passenger Motor Vehicle Insurance Market

A Member electing to withdraw from the Massachusetts private passenger motor vehicle insurance market shall file a withdrawal plan for an orderly withdrawal that shall include full settlement of all financial obligations to the MAIP. Approval of the withdrawal plan for purposes of this section shall mean written approval by the Commissioner. Prior to approval, the Commissioner shall hold a public hearing if requested to do so by the Governing Committee of the MAIP, a Member of the MAIP, or any association of producers, to consider the effect of the withdrawal on the orderly and equitable conduct and operation of the Massachusetts motor vehicle insurance market. Any such party seeking a hearing must file a request with the Division of Insurance within ten (10) days of notice by the Division of Insurance to CAR of the opportunity for a hearing. Copies of the withdrawal plan shall be made public at the time of such notice.