

A. Eligibility Requirements

In accordance with G.L. c. 175, § 113H, every Assigned Risk Producer (ARP) shall be assigned to each and every ARC for the sole purpose of obtaining private passenger motor vehicle insurance for applicants who have been unable to obtain such insurance through the method by which such insurance is voluntarily made available.

As of April 1, 2008, any licensed property and casualty producer in good standing shall be deemed to be certified as an ARP. Subject to the provisions of Rule 21.B, these producers shall submit business to the MAIP as an ARP.

On or after April 1, 2008, all licensed property and casualty producers must meet the following requirements and become certified as ARPs.

1. Have electronic access to the MAIP and the Registry of Motor Vehicles;
2. Have within the preceding twelve (12)-month period worked for a minimum of six (6) months with a producer licensed by the Division of Insurance, or with a Massachusetts motor vehicle insurer, during which time the applicant's efforts were primarily devoted to the Massachusetts motor vehicle insurance market; and
3. In satisfying the preceding criteria the applicant must conclusively show that he or she:
 - a. is applying in good faith;
 - b. will operate from an established location properly equipped to meet producer certification requirements;
 - c. will maintain regular business hours;

- d. has not been convicted of a crime related to his occupation as an insurance producer;
- e. has not had his or her license to engage as an insurance producer revoked or suspended;
- f. has not been involved in a material and substantial breach of a contract between an ARC and a producer;
- g. is not in default in remittance of any motor vehicle premiums due a Member;
- h. agrees to comply with the provisions of the Plan of Operation, the Rules of Operation, the Manual of Administrative Procedures, the MAIP's certification requirements, and the applicable regulations of the Division of Insurance;
- i. agrees to notify the MAIP of an agreement to sell the agency fifteen (15) days in advance of the proposed closing of any such sale; and
- j. has not had an ARP certification revoked by the MAIP as provided in these Rules, the revocation not having been reversed by the Governing Committee, the Division of Insurance or a court of competent jurisdiction.

B. Ongoing Assigned Risk Producer Requirements and Responsibilities

It will be the ongoing responsibility of an ARP to fulfill the following requirements as well as the producer certification requirements in Section A of this Rule. Failure to do so will be grounds for revocation of certification.

1. The ARP must use the policy forms, endorsements, new business application and renewal questionnaire that are filed by the MAIP and approved for use by the Commissioner for private passenger motor vehicle insurance.
2. The ARP must require that all Eligible Risks applying for insurance coverage by the MAIP complete a new business insurance application in its entirety.
3. The ARP must ensure that the application for insurance through the MAIP is submitted on the prescribed forms and that each application is filled out accurately and in its entirety. An incomplete or incorrect application will be returned to the producer for remedy. Steps that the ARP must take in order to complete an application correctly include the following:
 - a. The ARP must list all licensed operators in the household, including those not used for classification purposes, on the application;
 - b. The ARP must include photocopies of the licenses of each listed operator with the new business application;
 - c. The ARP must supply documentation supporting the deferral for rating purposes of any household member;
 - d. The ARP must confirm each licensed operator's driving record for rating and statistical data collection purposes;
 - e. The ARP must verify that the eligible risk has not been and is not now in default in the payment of any motor vehicle insurance premiums in the past twenty-four (24) months;
 - f. The ARP must certify, where so required by Rule 26.A.1.a, that the risk has made an attempt to obtain private passenger automobile insurance within fifteen (15) days of the application to the MAIP and has been turned down for such insurance;

- g. The ARP must include the full and complete address of the Eligible Risk. A post office box will not be accepted for the determination of garaging town;
 - h. The ARP must verify eligibility for premium discounts through the Registry of Motor Vehicles or other appropriate sources;
 - i. The ARP must order only those coverages from the ARC requested by the Eligible Risk, for which he or she may be eligible through the MAIP;
 - j. The ARP must quote the proper MAIP premium based on information provided by the Eligible Risk for the coverage desired. The ARP must inform the Eligible Risk that the final premium billed by the ARC may be less than the MAIP premium quoted, but it may not be more;
 - k. The ARP must notify the Eligible Risk that he or she has the option of utilizing an installment payment plan;
 - l. The ARP must verify that the Eligible Risk has signed the new business application before it is submitted to the MAIP; and
 - m. The ARP must sign the new business application before it is submitted to the MAIP.
4. The ARP must submit an electronic application for private passenger motor vehicle insurance coverage to the MAIP to obtain MAIP coverage for an Eligible Risk.
5. Once the MAIP has notified the ARP of the certification number assigned to the application, of the ARC to which the policy is assigned and of the effective date of the coverage, the ARP is responsible for providing the ARC with the following items within two (2) business days:
- a. The original application form, signed by the Eligible Risk and the ARP; and
 - b. The required deposit premium as specified in Rule 28.

6. The new business application, any additional coverage, and/or modifications in coverage must be submitted to the ARC within two (2) days of the effective date of coverage.
7. The ARP must remit payments on a timely basis. However, an ARC shall extend the payment period for an additional seven (7) days upon sufficient notice that all or part of a premium is being financed by a licensed premium finance company where the premium finance company has given its written assurance to pay the full premium financed to the ARC directly. This provision shall not obligate an ARC to provide such additional time if, notwithstanding any written assurances, the premium finance company has failed to perform its commitment previously.
8. The ARP must conduct all monetary transactions with the Eligible Risk and the ARC as required by the Rules of Operation.
9. The ARP must advise the premium finance company and/or the policyholder that checks for premiums for all financed accounts are to be made payable to the ARC.
10. The ARP must report all coverages bound and all registrations/titles certified to the ARC within two (2) business days after binding coverage or certifying a registration.
11. The ARP must forward to the Eligible Risk within thirty (30) days of receipt from the ARC, all policies and endorsements if not mailed directly by the ARC to the Eligible Risk.
12. The ARP must properly order endorsements.
13. The ARP must retain the necessary documentation of ARC transactions in accordance with the Manual of Administrative Procedures.

14. The ARP and his employees will be required to receive training on claims reporting and fraud recognition. For current ARPs and employees, such training must be completed within six (6) months of the initial implementation of the MAIP. For new ARPs, such training must be completed within six (6) months of certification by the Governing Committee or its designee to immediately submit motor vehicle insurance policies for placement through the MAIP with an ARC. For new employees, such training must be completed within six (6) months of hire. Any fraud training program that receives three CEU credits from the Massachusetts Division of Insurance will satisfy the claims reporting and fraud recognition training requirement. No other training that an ARC provides to its producers is sufficient to meet the claims reporting and fraud recognition training requirement set forth in this paragraph.
15. The ARP must notify the MAIP and the ARC of any suspected fraud surrounding a loss.
16. The ARP must cooperate with ARC and MAIP personnel during all audits and investigations.
17. The ARP and his or her employees are prohibited from accepting a fee or any other monetary or tangible property for referring the insured or parties to an accident to any glass, repair or rental facility, or to any legal or medical provider.
18. ARPs shall provide referral information to consumers consistent with company practices under regulations relating to motor vehicle repairs.

C. Service Fees

1. G.L. c. 175, § 182, in part, prohibits producers and others in connection with the placing or negotiation of insurance policies or the continuance or renewal thereof from selling or offering to sell anything of value whatsoever not specified in the policy of insurance. See also G.L. c. 176D, § 3(8). The following acts and practices are prohibited:
 - a. Charging a fee in addition to the premium for certifying a registration on behalf of an ARC;
 - b. Charging a fee in addition to the premium for acting as a producer and placing the applicant's motor vehicle insurance business with an ARC;
 - c. Charging a fee in addition to the premium for providing assistance to the insured in the completion of forms which are completed in order for the insured to procure or to continue motor vehicle insurance; and
 - d. Charging a fee in addition to the premium for the sale of a "service contract" which provides for service or advice relating to the issuance, continuance, or renewal of an insured's motor vehicle insurance policy.
2. Nothing set forth in the provisions above is intended to prohibit producers from charging courier fees and other non-insurance related fees if the following requirements are met:
 - a. The producer provides to the applicant a complete description of the non-insurance related services for which the fee, in addition to the premium rate, is being charged;
 - b. The producer advises the applicant that there is no obligation to purchase the non-insurance related service and that the insured may obtain motor vehicle insurance through the producer, notwithstanding the insured's decision not to purchase the non-insurance related services;

- c. The applicant, after having been apprised of the above information, agrees to pay the fee; and
 - d. The fee for the services provided is reasonable.
 3. The producer may enter into a contract with the applicant, pursuant to which the producer provides non-insurance related services to the applicant if the producer complies with all of the requirements above. In the event the producer and applicant execute such a "service contract", the producer shall give to the applicant an executed copy of the contract and shall retain an executed copy in his or her file that shall be made available to the ARC, Division of Insurance and the MAIP upon request.

D. Certification Ineligibility

1. Grounds for revoking the certification of an ARP shall be as provided in Rule 30 – Assigned Risk Company Responsibilities and 31 – Assigned Risk Producer Responsibilities. Any licensed property or casualty producer who within the preceding twenty-four (24) month period, has had an ARP certification revoked with the said revocation not having been reversed by the Governing Committee, the Division of Insurance, or court of competent jurisdiction, shall be ineligible to place business with the MAIP.
2. For purposes of this section, the term Assigned Risk Producer includes any licensed producer with whom or which the ARP whose certification as been revoked has a direct or indirect material and continuing proprietary or management interest.

ARPs whose certification is revoked in conjunction with these Rules must return all MAIP forms, manuals and certification stamp(s) as well as any materials supplied by an ARC at such time as the revocation becomes effective. The ARP may appeal the revocation in accordance with the procedures specified in Rule 40 – Hearings, Review.