

A. For policies effective prior to October 1, 2012, Assigned Risk Producers (ARPs) will be paid the same average commission for private passenger risks insured through the MAIP as is paid for voluntary risks in accordance with the private passenger motor vehicle insurance rates on file with the Commissioner.

For MAIP business, ARPs that are not operating under the so-called American Agency System will be paid the same average commission as those that are operating under the American Agency System.

B. For policies effective October 1, 2012 and subsequent, if the ARP has a private passenger automobile contractual relationship with the Assigned Risk Company (ARC) receiving the assignment the terms of the contract relating to commission payments apply regardless of the rate, voluntary or MAIP, used to issue the policy.

C. For policies effective October 1, 2012 and subsequent, if the ARP does not have a private passenger automobile contractual relationship with the ARC receiving the assignment, commission compensation shall be in accordance with the following commission schedule. Merit rating codes are as defined in the Massachusetts Private Passenger Residual Market Automobile Insurance Manual. The MAIP commission schedule applies regardless of the rate, voluntary or MAIP, used to issue the policy.

<b>Merit Rating Codes for Rated Operator(s)</b>	<b>Base Commission Percentage</b>
All Rated Operators have Merit Rating Code = 99	13.0%
All Rated Operators have Merit Rating Code = 0, 98 or 99	12.0%
At Least One Rated Operator has Merit Rating Code = 1 - 4	10.0%
At Least One Rated Operator has Merit Rating Code = 5 or more	10.0%

The following additional provisions apply:

1. The commission rate is determined at the time a new business or renewal policy is issued.
2. A commission rate adjustment shall be made as a result of an endorsement with an effective date the same as the policy effective date if such endorsement affects the commission percentage.

3. A commission rate adjustment shall not be made as a result of a mid-term policy endorsement.
- D. For policies effective October 1, 2012 and subsequent, if the ARP is not operating under the so-called American Agency System, commission compensation shall be the same as for those ARPs operating under the American Agency System in accordance with Section B or C. of this Rule, whichever applies.
- E. Nothing in this Rule is intended to alter any statutory obligation relating to commission payments.