

**COMMONWEALTH AUTOMOBILE  
REINSURERS**

**ASSIGNED RISK PRODUCER  
PROCEDURES MANUAL**

**2023**

**REVISED THROUGH FEBRUARY 15, 2023**

**101 ARCH STREET, SUITE 400  
BOSTON, MA 02110**

**A. Introduction**

The Assigned Risk Producer Procedures Manual provides Assigned Risk Producers (ARPs) with detailed information relative to the Massachusetts Automobile Insurance Plan (MAIP) that is administered by Commonwealth Automobile Reinsurers (CAR). The Manual includes information regarding ARP certification, general ARP responsibilities including the submission and verification of application data for MAIP assignment and the assignment of a private passenger motor vehicle insurance policy to an Assigned Risk Company (ARC). Although the information contained in the Assigned Risk Producer Procedures Manual is most pertinent to ARPs, it may also be utilized by ARCs in conjunction with the Assigned Risk Company Procedures Manual.

The Assigned Risk Producer Procedures Manual supplements CAR's Plan and Rules of Operation.

**B. Organization of the Producer Procedures Manual**

The Assigned Risk Producer Procedures Manual is organized into Chapters that deal with specific subjects that are applicable to the various operations of the MAIP. The Chapters included are as follows:

Chapter I – Overview

Chapter II – General Responsibilities

Chapter III – MAIP Eligibility Requirements

Chapter IV – Policy Application and Assignment Process

**C. Other Useful Information**

In conjunction with the instructions set forth in this Manual and CAR's Rules of Operation, there are several other manuals that may be referenced for additional information.

The Assigned Risk Company Procedures Manual details an ARC's MAIP responsibilities and provides ARCs with information relative to the assignment of risks through the MAIP. The Massachusetts Private Passenger Automobile Insurance Manual provides information relative to the classification and premium rating of private passenger vehicles. Each of these documents is available on the MAIP Producer page of CAR's website under the Manuals link. A MAIP Consumer Guide published by the Massachusetts Division of Insurance provides

consumers with information relative to the Massachusetts Automobile Insurance Plan and addresses specific questions that consumers may have relative to their assignment to an ARC through the MAIP. This document is available on the Massachusetts Division of Insurance's website at [www.mass.gov](http://www.mass.gov).

**A. Assigned Risk Producer Responsibilities**

In order to successfully perform their MAIP obligations and submit private passenger motor vehicle insurance business for assignment to an Assigned Risk Company (ARC), producers are responsible for meeting the following requirements. For more specific information relative to ARP certification requirements and other producer responsibilities, reference Rule 31 – Assigned Risk Producer Requirements of CAR’s Rules of Operation.

**1. Assigned Risk Producer Certification Requirements**

In order to obtain access to the online MAIP Policy Application for the purpose of placing business through the MAIP, a producer must meet the following requirements and become certified as an Assigned Risk Producer (ARP). Any producer that fails to complete these requirements will not be certified as an ARP and will be prohibited from placing business through the MAIP.

- a. The producer must have electronic access to the MAIP and the Registry of Motor Vehicles (RMV).
- b. Within the preceding 12-month period, the producer must have worked for a minimum of 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.
- c. In satisfying the above criteria, the producer must conclusively show that he:
  - (1) is applying in good faith,
  - (2) will operate from an established location properly equipped to meet producer certification requirements,
  - (3) will maintain regular business hours,
  - (4) has not been convicted of a crime related to his occupation as an insurance producer,
  - (5) has not had his license to engage as an insurance producer revoked or suspended,

- (6) has not been involved in a material and substantial breach of a contract between an ARC and a producer,
  - (7) is not in default in the remittance of any motor vehicle premiums due,
  - (8) agrees to notify CAR of an agreement to sell the agency and/or merge with another agency 15 days in advance of the proposed closing of any such sale or merger,
  - (9) agrees to comply with the provisions of CAR's Plan and Rules of Operation, the Assigned Risk Producer Procedures Manual, MAIP certification requirements, and the applicable regulations of the Division of Insurance, and
  - (10) has not had his certification revoked in accordance with Rule 31 – Assigned Risk Producer Requirements of CAR's Rules of Operation, the revocation not having been reversed by CAR's Governing Committee, the Division of Insurance or a court of competent jurisdiction.
2. Agency Action Requirements – Fraud Recognition and Claims Reporting Training

Producers and their employees that wish to have access to the online MAIP Policy Application or who are involved in point of sale activities relative to private passenger residual market business are required to receive training on claims reporting and fraud recognition. This requirement applies to all licensed and unlicensed employees and all employees of an out-of-state agency who process Massachusetts private passenger policies or claims. Captive agents and employees of direct writing companies are also subject to this requirement. For new ARPs, training must be completed within six months of certification and new agency employees are required to receive training within six months of hire. Any fraud training program that receives three CEU credits from the Massachusetts Division of Insurance will satisfy this requirement. Additional information regarding approved online fraud training courses may be found on the MAIP Producer page of CAR's website, under Training.

3. Documentation Requirements

In order to place business through MAIP, producers are required to provide CAR with the following documentation:

a. Application for Assigned Risk Producer Certification

All agencies must provide CAR with specific agency information including agency name, business address of primary office location, address information of all additional office locations, primary agency email contact address, employee information as well as all other information requested on the Application for Assigned Risk Producer Certification Form (refer to Exhibit II-A-1).

This form can be found on the MAIP Producer page of CAR's website, under Forms. The forms may be completed online but must be printed using a local printer, signed and then forwarded to CAR via email, fax or U.S. Postal Service.

b. Agency Information Update Form

CAR should be notified of changes to any agency information subsequent to becoming certified as an ARP using the Agency Information Update Form (refer to Exhibit II-A-2). This may include any change to producer status including agency name, address or email address changes, new, closed or moved office locations, agency sales, mergers or acquisitions or employee changes impacting access to the MAIP Policy Application.

This form can be found on the MAIP Producer page of CAR's website, under Forms. The forms may be completed online but must be printed using a local printer, signed and then forwarded to CAR via email, fax or U.S. Postal Service.

c. Copy of Current Agency License

A copy of an agency's current property and casualty license is required to be on file with CAR and must be consistent with agency name. Upon renewal, a copy of the license must be provided to CAR's Residual Market Services Department via the upload link located on the MAIP Producer page of CAR's website, under Producer Profile.

Failure to provide CAR with a copy of an amended license and/or license renewal within 30 days of the effective date of the amendment and/or renewal will result in the suspension of access to the MAIP Policy Application. CAR will reinstate access to the MAIP Policy Application upon receipt of a copy of a valid and current license in good standing.

As specified in Section B.5. of this Chapter, failure to renew or maintain an active producer's license may also result in the possible decertification of the ARP.

d. Agency Corporate Documents

If licensed as a corporation, a copy of the agency's corporate documents reflecting the officers and directors of the corporation (i.e. Annual Statement or Articles of Organization) and the ownership of all agency stock is required.

Note that all notifications and correspondence sent from CAR to a producer will be conducted via email. Notifications through the U.S. Postal Service will not be provided. Accordingly, CAR requires a current email address on file for every producer.

4. MAIP Policy Application Security Requirements

The MAIP Policy Application is a secure system requiring a valid User ID and password to gain access. Each agency must designate one person to serve as the agency's Security Administrator. Through the Security Administration link, which is located on the MAIP Producer page of CAR's website, the designated Security Administrator is able to view the administrator's own account information and change password and security questions.

Additionally, via the Manage Users function which is available on the Security Administration Menu, the agency's Security Administrator is able to add new users and update information for existing users. The Security Administrator will be responsible for requesting User IDs for new employees that require access to the MAIP Policy Application, deleting users no longer at the agency, and updating the activity status, email address and office location information for existing users. The Security Administrator is also responsible for addressing security

violations and serves as a point of contact for the dissemination of security-related information.

The individual designated as an agency's Security Administrator is required to complete a MAIP Agency Security Administrator Form – Assigned Risk Producer Communications Access Agreement, located on the MAIP Producer page of CAR's website, under Forms (refer to Exhibit II-A-3).

The MAIP Agency Security Administrator Form may also be used to change an agency's designated Security Administrator or add an additional Security Administrator that may be required due to multiple agency locations. The form may be completed online but must be printed using a local printer, signed and then forwarded to CAR via email, fax or U.S. Postal Service.

Other important things to note:

- a. The sharing of User IDs is strictly prohibited and therefore, each individual using the system to place business through the MAIP will need a separate User ID.
- b. If the Security Administrator has created a new User ID for an individual whose name has changed, CAR's Operations Services department should be contacted so that the individual's records can be updated accordingly to reflect that fraud training and tutorial requirements have already been completed.
- c. The Security Administrator should contact CAR's Operations Services department if a new employee previously had access to the MAIP Policy Application through employment with another insurance agency.
- d. A Security Administrator cannot change a user's password. If an individual's password is forgotten, that individual should click on the Forgot Password? link located just below the log-on box and follow the instructions that are provided. Also, note that passwords expire every 60 days, but if desired, a user may change it sooner. Also note that user name, password and security question answers are all case sensitive.
- e. If an agency has multiple locations and an individual will be working out of more than one office, each location will need to



be added to that individual's security profile. The agency's Security Administrator may add the locations by accessing the Detail Users page from the Manage Users function menu, clicking on the user's name and then adding the location.

- f. In order to assure that the tax identification information needed for the commission process is automatically provided to the company to which a MAIP application is assigned, the Security Administrator must make sure that agency tax information is entered into the MAIP system. This can be done via the Enter Tax ID function which is available on the Security Administration Menu. Tax identification information is maintained on an encrypted file and is only made available to ARCs via the transfer of assigned applications.

Note that some companies may also request agencies to complete additional forms.

#### 5. Activation of MAIP Policy Application Access – Tutorial Requirements

Every individual securing a MAIP User ID and password must complete a MAIP Policy Application tutorial prior to being permitted to place business through the MAIP. The tutorial will educate individuals on how to enter, edit and submit policy applications for assignment to an ARC. Completion of the tutorial will satisfy the certification provision of Rule 31 – Assigned Risk Producer Requirements requiring electronic access to the MAIP.

Once the tutorial has been completed, entry of the MAIP User ID will activate the MAIP Policy Application and the individual will then be able to enter policy application data.

#### 6. MAIP Stamp Requirements

Upon completion of the ARP certification requirements specified in Section A.1. of this Chapter, each certified ARP office location will be provided with two MAIP wet stamps. MAIP E-Stamps are also available for vehicle registration certifications within the MAIP Policy Application, which includes instructions for use.

The MAIP stamp, once affixed to RMV forms, will provide proof of insurance to the RMV. The stamp will contain a MAIP agency

number specific to the office location as assigned by CAR and will contain lines for the name and company number of the ARC to which the policy is assigned and the ARP's signature. The RMV will be provided with a listing of all active and certified agency numbers. The MAIP stamps may be used on appropriate registration forms once an assignment to a company has been made. The ARP is required to assure that the accurate assigned company's name and three-digit company number appears legibly.

a. Authorization

Use of MAIP stamps is authorized by CAR specific to a particular agency and agency office location. The authorization is valid as long as the producer information on file at CAR remains unchanged, the agency license remains current and the producer maintains all certification requirements. Copying the MAIP wet stamp and/or unauthorized use of a MAIP stamp is prohibited and such action will result in the decertification of the producer and the producer's inability to place business through the MAIP.

Note that a MAIP stamp may not be used as a courtesy to certify registration forms. A courtesy stamp may only be performed by a producer that represents the company insuring the applicant's vehicle, using that company's stamp.

b. Duplication, Replacement or Request for Additional Stamps

Any replacement or request for additional MAIP wet stamps must be approved by CAR. A MAIP Wet Stamp Request form may be found on the MAIP Producer page of CAR's website, under Forms (refer to Exhibit II-A-4).

c. Return of MAIP Stamps

An agency sale, merger, acquisition, termination, decertification or individual office location closing must be immediately reported to CAR. In any such case, all MAIP wet stamps must be promptly returned to CAR.

d. Power of Attorney

An Authorization to Certify Motor Vehicle Insurance Coverage form (refer to Exhibit II-A-5) may be used to grant (or revoke)

licensed and non-licensed agency employees the authority to certify, through the use of the ARP's MAIP stamps, the existence of motor vehicle insurance coverage for risks assigned to an ARC. This form must be completed and signed by a licensed and certified agency principal. Such authority is extended only to those policies issued through the MAIP and produced in the course of the individual's employment agreement with the insurance agency. The Authorization to Certify Motor Vehicle Insurance Coverage form may be found on the MAIP Producer page of CAR's website, under Forms, using the Power of Attorney Authorization link.

#### 7. Ongoing Assigned Risk Producer Requirements

An ARP is also responsible for fulfilling many ongoing requirements, several of which are listed below. Failure to do so will be grounds for revocation of certification. Refer to Rule 31.B. – Assigned Risk Producer Requirements of CAR's Rules of Operation for a complete list of all ARP requirements.

- a. Based upon the MAIP eligibility requirements outlined in Rule 26 – Policyholder Rights and Responsibilities of CAR's Rules of Operation, assure that all applications submitted for MAIP placement meet the established MAIP eligibility criteria.
- b. Assure that MAIP application information, and any additional or supplemental information is submitted on the proper forms and that each application is submitted accurately and in its entirety by taking the following steps:
  - (1) List all licensed operators in the household, including those not used for classifications purposes.
  - (2) Verify through the RMV Registration Inquiry System, the driver's license for each listed operator who holds a Massachusetts driver's license. The ARP must submit a photocopy of the license of any operator holding an out-of-state or a foreign driver's license with the new business application.
  - (3) Supply documentation to support the deferral for rating purposes of any household member.

- (4) Quote the proper premium based on information provided by the risk for the coverage desired. If an ARP elects to obtain a voluntary rate quote from the ARC to which the risk is assigned, a 30% down payment based upon the lesser of the assigned ARC's voluntary rate or the MAIP rate must be collected. Inform the risk that upon receipt of the new business application and any supplemental information necessary to calculate the voluntary premium for comparison to the MAIP premium, the final premium will be determined and billed by the ARC.

If the voluntary rate quote option is not selected, a 25% down payment based upon the MAIP rate must be collected. The ARP must inform the risk that the final premium billed by the ARC may be less than the MAIP premium quoted, but it will not be more.

- (5) Confirm each Massachusetts licensed operator's driving record with the RMV's current merit rating information. If the operator holds an out-of-state or foreign driver's license, the operator may obtain an official driving record or a record from a previous insurer and submit it to the ARC. If the driving record is not in English, a translation certified as true and correct by a translator must be obtained by the operator and attached to the driving record submitted to the ARC.
  - (6) Verify that the risk has not been and is not now in default in the payment of any motor vehicle insurance premiums in the past 24 months, including verification via the RMV's Uninsured Motorists System (UMS).
- c. Submit electronic applications for private passenger motor vehicle insurance coverage via the online MAIP Policy Application to obtain MAIP coverage. Verify that rating and licensing information provided by the applicant is accurate.
  - d. Submit the original application, signed by the applicant and the ARP, the required deposit premium, photocopy of out-of-state or foreign driver's license, if applicable, a copy of the voluntary premium quote or voluntary premium quote identification number as provided by the ARC, if applicable, and any other required additional or supplemental information, forms or certificates to the assigned ARC within two business days of an application being

assigned a certification number. Additionally, report to the ARC all coverages bound, including modifications in coverage or additional coverage and all registrations and/or titles certified within two business days.

However, if after assignment to an ARC, the applicant fails to sign the application and remit the required deposit premium, refer to Chapter IV, Section B. of this Manual for procedures relative to voiding an assigned application.

- e. Notify CAR and the ARC of suspected fraud in the application for insurance or in the underwriting or rating process or in the payment of premium obligations or surrounding a loss.
- f. Cooperate with the ARC and CAR personnel during all audits and investigations of MAIP assigned business.

#### 8. Service Fee Requirements

##### a. Prohibition from Accepting a Fee

An ARP and the ARP's employees are prohibited from accepting a fee or any other monetary or tangible property in connection with any of the following:

- (1) placing or negotiating insurance policies,
- (2) continuing or renewing insurance policies,
- (3) selling or offering to sell anything of value not specified in the policy of insurance, and/or
- (4) referring the insured or parties to an accident to any glass, repair or rental facility, or to any legal or medical provider.

##### b. Prohibition from Charging an Additional Fee

Charging an additional fee for any of the following services is prohibited:

- (1) certifying a registration on behalf of an ARC,

- (2) placing the applicant's motor vehicle insurance business with an ARC,
- (3) providing assistance to the insured in the completion of the forms required to procure or to continue motor vehicle insurance, and/or
- (4) selling of a "service contract" which provides for service or advice relating to the issuance, continuance or renewal or an insured's motor vehicle insurance policy.

c. Allowable Fees

Producers may charge the applicant courier fees and other non-insurance related fees in any of the following situations:

- (1) the applicant is provided with a complete description of the non-insurance related services for which the fee is being charged,
- (2) the applicant is advised that there is no obligation to purchase the non-insurance related service,
- (3) the applicant agrees to pay the fee, and/or
- (4) the fee for the services provided is reasonable.

If the ARP enters into a contract to provide non-insurance related services to an applicant, in compliance with the above noted requirements, the ARP shall give an executed copy of the contract to the applicant and must retain an executed copy of the contract in the producer's file that must be made available to the ARC, Division of Insurance and CAR upon request.

9. Requirements Upon an Assigned Risk Company's Notification of Expiration of Policy Assignment

An ARC is required provide an ARP with the list of policies that it elects to non-renew at the end of the three-year assignment period, at least 120 days in advance of the policy expiration date. The ARC will provide this notification on or about the first business day of each month.

The ARP should attempt to obtain replacement coverage for the risk in the voluntary market, but if unable to do so, the ARP may resubmit the risk for placement through the MAIP. As long as the ARP submits the risk at least 60 days prior to the policy's expiration date and the new application 1) accurately identifies the policy effective date of the expiring policy as the new policy's policy effective date and 2) identifies that the driver's license number of the named insured is the same as that on the prior MAIP policy, the MAIP Policy Application will be able to verify that the insured has been assigned for three consecutive years to the same ARC. Special processing and assignment considerations will apply as follows:

- a. Upon assignment of the policy, a message in the Remarks section of the application will identify that the applicant is an expiring three-year former MAIP assignment.
- b. The application will be assigned to a different ARC than to which it was originally assigned. Upon policy assignment, the ARP must submit a Notice of Transfer of Insurer to the former ARC identifying the newly designated ARC.
- c. The MAIP Policy Application will calculate a MAIP premium amount, but the required down payment will be reflected as zero dollars. Under these circumstances, the ARP will not be required to collect a down payment from the risk at the time of the assignment.

However, if the ARP submits the risk for placement through the MAIP less than 60 days prior to the policy's expiration date, the MAIP Policy Application will calculate a new business down payment amount of 25% and the ARP must collect this amount from the risk and forward it to the newly assigned company along with the application and any required supplemental or additional information.

- d. The pre-inspection requirement will be waived provided that the vehicle(s) to be insured is the same as the vehicle(s) insured under the previous policy.
10. Requirements Relative to the Reporting of Assigned Risk Company Complaints
- a. ARC Violation Reporting

Use the Non-Compliance link located on the MAIP Producer page of CAR's website to submit ARC violations of the established ARC Performance Standards. Refer to Exhibit II-A-6 for a description of the ARC Performance Standards.

Create a complaint report online using the ARC Complaints link. Refer to Exhibits II-A-7 and II-A-8. The report will be forwarded to both the ARC and to CAR. The ARC will be provided with 5 business days to respond to CAR regarding the complaint. The ARC's response will also be forwarded to the ARP.

Once the ARC's response is received, CAR will review the complaint and any supporting documentation to determine the validity of the reported violation and the course of remedial action that may be necessary.

If CAR determines the complaint to be valid, or such complaint remains outstanding, CAR shall notify the ARC of the failure to comply with the approved performance standard(s) and request that the ARC institute corrective measures. The ARC will be required to notify CAR of corrective action in writing within 5 business days and may be required to address remedial action in a meeting with CAR and/or a committee of CAR.

**b. Penalty Provisions**

CAR will perform an analysis of each ARC's compliance with both Category I and Category II Performance Standards on a monthly basis. Exhibit II-A-6 provides a description of the Category I and Category II Performance Standards.

**1. Category I**

A flat penalty of \$10,000 will be assessed for any validated infraction, or combined infractions.

**2. Category II**

If the number of validated infractions exceeds 2% of the ARC's in-force MAIP assigned policies based on the current twelve-month rolling total of assignments, and there exists a minimum of 10 validated infractions, a \$5,000 penalty will be assessed.



Penalties will continue to accrue for validated infractions of both Category I and Category II Performance Standards newly identified in each month subsequent to the initial assessment, except that the validated infractions relating to the Commissions performance standard will be assessed a Category I penalty for infractions occurring during the 12-month period subsequent to the initial assessment.

c. Non-Compliance

Subsequent and repeated non-compliance with the performance standards by an ARC will result in notification of such non-compliance to the Commissioner of Insurance.

A licensed producer aggrieved by any unfair, unreasonable, or improper practice of CAR or another Member with respect to the operation of the MAIP, may request a formal hearing and ruling by the Governing Committee on the alleged practice pursuant to Rule 40 – Hearings, Review of CAR’s Rules of Operation. A Request for Review/Relief Form is located on the MAIP Producer page of CAR’s website (refer to Exhibit II-A-9), under Forms.

**B. Producer Violation Reporting, Review, Certification Suspension or Decertification**

CAR will assess each ARP's performance on a regular basis based upon validated producer violations reported to CAR by an ARC.

**1. ARP Violation Reporting**

ARCs report producer performance violations online to CAR using the Non-Compliance link located on the MAIP Company page of CAR's website. The violation report will be forwarded to both the ARP and to CAR. The ARP has 20 calendar days to respond to CAR regarding the validity of the alleged violation.

ARP responses to a reported performance violation should be provided using the Non-Compliance link located on the MAIP Producer page of CAR's website. To respond to or view a violation submitted by an ARC, click on the ARP Violations link. The response is completed online and a copy of the response is forwarded to the ARC (refer to Exhibits II-B-1 and II-B-2). CAR will validate the ARP's response and determine if further action is required.

Violations include failure to comply with the producer requirements specified in Rule 31 – Assigned Risk Producer Requirements of CAR's Rules of Operation as well as those requirements set forth in this Manual and include, but are not limited to, the following:

- a. the original application, additional or supplemental information and/or required down payment submitted to the ARC more than two business days from the date of assignment,
- b. insufficient down payment submitted (in accordance with Rule 28 – Application Process of CAR's Rules of Operation) including the failure to collect 80% of the calculated MAIP premium or 100% of the assigned ARC's voluntary premium, if known, if the insured's policy had been cancelled for non-payment within the preceding 24 months,
- c. application not eligible for MAIP coverage,
- d. information on the application for insurance coverage is misrepresented,

- e. application missing documentation in accordance with Rule 31 – Assigned Risk Producer Requirements of CAR’s Rules of Operation, including lack of insured or producer signatures(s) and Supplemental Application, if required,
- f. failure to verify that the eligible risk has not been and was not, at the time of application, in default in the payment of any motor vehicle premium within the past 24 months,
- g. principal operator does not hold a valid driver’s license or insufficient license information provided (i.e. no translation for foreign license, copy of license not forwarded, etc),
- h. failure to report all coverages bound and all registrations/titles certified to the ARC within two business days after binding coverage or certifying a registration,
- i. failure to remit payment within two business days to the ARC and/or check or money order not made directly payable to the ARC, and
- j. failure to return uncontested unearned commission.

## 2. Compliance Review

Once an ARP responds to a reported violation or the 20-calendar day response period has elapsed, CAR will review the documentation provided by the ARC and/or ARP and will determine the validity of the reported violation.

On a monthly basis, CAR shall assess each ARP’s performance to determine whether the number of validated violations exceeds 10% of the number of applications submitted in any one month and at least three violations within that month.

CAR will also identify those ARPs that have had validated violations reported in each month of a consecutive three-month period, but the volume of those violations does not exceed the monthly compliance threshold.

3. Warning – Remedial Action Required

If the ARP's performance in the latest calendar month exceeds the established tolerances as noted in Section B.2. of this Chapter, CAR will notify the ARP of the failure to comply with the Rules of Operation and request the producer to immediately institute corrective measures.

The producer will be warned that subsequent failure to comply with the standard for each month within the following 90-day period will result in an immediate suspension of the agency certification for a period of not less than one month.

If the ARP's performance over a consecutive three-month period indicates that validated violations exist in each month, and the volume of those violations exceeds 3% of the number of applications submitted for the three month period, CAR shall notify the ARP of its review findings and require the ARP to address remedial action in a meeting with CAR staff.

4. Suspension

If the ARP remains in compliance for the entire 90-day probation period, the review process will begin again. However, if the ARP exceeds the standard for three or more non-consecutive months in any 12-month period, the result will be an immediate suspension of the agency certification for a period of not less than one month.

Non-compliance during the 90-day probation period will result in the immediate suspension of the agency certification for a period of not less than one month or not more than six months.

5. Immediate Suspension and/or Decertification

CAR will immediately suspend certification in cases deemed to be valid, for a period of not less than one month or not more than six months for any violations involving falsification of information for coverage, misrepresentation of rating information, participation in the false reporting of claims, mishandling of premium funds or failure to return uncontested unearned commission within the specified timeframe. In all cases, the severity of the violations will be taken into consideration. CAR may revoke the certification of the producer if the violations are deemed numerous and/or egregious. Notification of

decertification will be provided to all ARCs, the RMV and the Division of Insurance.

The entry of a finding by a court of competent jurisdiction that the ARP has engaged in fraudulent activity in connection with motor vehicle insurance will result in immediate decertification.

Failure to renew or maintain an active producer's license will result in the immediate suspension of access to the MAIP Policy Application and may result in the decertification of the ARP. Note that CAR will reinstate access to the MAIP Policy Application upon receipt of a copy of a valid and current producer's license in good standing.

#### 6. Review and Appeal Process

CAR will notify the ARP of any decision to suspend or revoke certification. Any such notification will be in accordance with the procedures for ERP termination found in Chapter III.C. – Servicing Carrier Responsibilities of CAR's Manual of Administrative Procedures.

The ARP will have 30 calendar days to contest the suspension or decertification by requesting a review, in accordance with Rule 40 – Review and Appeal of CAR's Rules of Operation. A request for a review of the suspension or decertification will automatically stay the suspension or decertification until such time as the review and appeal rights pursuant to Rule 40 have been exhausted. However, any reviewing committee may lift the stay if such stay is not in the best interests of the motoring public.

- a. To request a review of the suspension or decertification, the ARP must submit a Request for Review/Relief form completed in its entirety to CAR within 30 calendar days from the date of suspension or decertification.
- b. The ARP must include any supporting documentation relating to the alleged violations of CAR Rules with the Request for Review/Relief.
- c. A meeting of the Market Review Committee will be scheduled within 15 business days of CAR's receipt of the request unless waived by the ARP. The ARP may, but is not required to be represented by counsel.

- d. Any additional material to be considered by the Market Review Committee must be submitted to CAR no later than 12:00 p.m., 5 business days prior to the meeting date. Material submitted within this timeframe will be distributed as soon as is practical.
- e. The ARP must petition the Market Review Committee directly for consideration of any material submitted after 12:00 p.m. of the 5<sup>th</sup> business day prior to the meeting.
- f. CAR will notify the ARP of the decision by the Market Review Committee within 15 business days of the Committee's decision. If the Market Review Committee upholds the suspension or decertification, the ARP has 30 calendar days from the date of the notification, to request further review of the matter by the Governing Committee Review Panel.
- g. The review by the Governing Committee Review Panel will be scheduled within 15 days of receipt of the request unless waived by the ARP.
- h. The Governing Committee Review Panel will consider the decision of the Market Review Committee but is not bound by its decision. Any additional material to be considered by the Panel must be submitted to CAR following the same guidelines for distribution as required for the Market Review Committee.
- i. The decision of the Governing Committee Review Panel is considered a formal ruling of the Governing Committee and may be appealed to the Commissioner pursuant to Rule 40 by filing a notice of appeal with CAR and the Commissioner within 30 days of the ruling. The ruling of the Panel will remain in full effect unless otherwise directed by the Commissioner.

### **C. Termination/Revocation of Certification Responsibilities**

#### **1. Revocation of Assigned Risk Producer Certification**

Any licensed property and casualty producer, who within the preceding 24 month period has had an ARP certification revoked, shall be ineligible to place business through the MAIP. Grounds for revoking the certification of an ARP may be found in Section B.5. of this Chapter and in Rule 30 – Assigned Risk Company

Responsibilities and Rule 31 – Assigned Risk Producer Responsibilities of CAR’s Rules of Operation.

Those ARPs whose certification is revoked must return all MAIP forms, manuals and stamp(s) to CAR as well as any materials that were supplied by an ARC.

2. Voluntary Termination of an Assigned Risk Producer

An ARP that chooses to terminate his ability to submit business to the MAIP is required to provide 30 days advance written notice to CAR.

The terminated ARP must return all MAIP forms, manuals and certification stamp(s) to CAR as well as any materials supplied by an ARC.

**APPLICATION FOR ASSIGNED RISK PRODUCER CERTIFICATION****Massachusetts Automobile Insurance Plan (MAIP)****COMMONWEALTH AUTOMOBILE REINSURERS**

101 Arch Street, Suite 400  
BOSTON, MASSACHUSETTS 02110  
617-338-4000 617-338-5422 (FAX)

**INSTRUCTIONS**

- A. Complete **ALL** information on the application. The application must be completed in **type or printed** in ink. Incomplete/illegible applications will not be accepted.
- B. **Initial and date** each page as noted.
- C. Use, Sign and Date a separate sheet of paper for explanations, if necessary.
- D. **Attach** a copy of the applicant's Massachusetts **producer's license(s)**. If operating as a corporation, LLC or under a trade (dba) name, that name must appear on the producer's license.
- E. If applying in the name of a corporation, **enclose** a copy of the corporate **Articles of Organization** as approved by the Secretary of State, names and titles of all **corporate officers and directors**, and details of all **corporate stock ownership**.
- F. **Return the application package to the Residual Market Services Department**, at the noted address on the top of the application.

## NOTE:

- 1 **Provide proof of completion of a Claims Reporting and Fraud Recognition course** as required pursuant to Rule 31 of CAR's Rules of Operation **within six (6) months of the date of certification** as an Assigned Risk Producer.
- 2 Misrepresentation of facts or failure to divulge all pertinent information may disqualify you for certification as an Assigned Risk Producer.
- 3 Current business addresses must be on file with CAR. Subsequent **changes of agency name or address**, any addition of a business office location and or sale of an agency must be **reported to CAR immediately**.

Initial/Date: \_\_\_\_\_



**APPLICATION FOR ASSIGNED RISK PRODUCER CERTIFICATION  
Massachusetts Automobile Insurance Plan (MAIP)**

**COMMONWEALTH AUTOMOBILE REINSURERS**

101 Arch Street, Suite 400  
BOSTON, MASSACHUSETTS 02110  
617-338-4000 617-338-5422 (FAX)

**APPLICATION CHECKLIST**

Please use the checklist below in completing your application package. Inclusion of the items identified below with your application package will prevent delays in processing and expedite issuance of certification as an Assigned Risk Producer (ARP). **RETURN THE INITIALED CHECKLIST ALONG WITH YOUR APPLICATION TO CAR'S RESIDUAL MARKET SERVICES DEPARTMENT.**

**INITIAL/DATE**

- \_\_\_\_\_ 1. **Business telephone installed and manned.** (CAR will verify installation has been completed in the name of the agency with the telephone company. An agency answering machine is acceptable for manning the agency for short periods of time. The machine must identify the agency and calls must be returned promptly.)
- \_\_\_\_\_ 2. **Agency sign installed** in the licensed name of the agency and visible to the public. (Provide picture of agency inclusive of signage)
- \_\_\_\_\_ 3. **Completed entire application.**
- \_\_\_\_\_ 4. **Initialed and dated each application page.**
- \_\_\_\_\_ 5. **Enclosed copies of Producer's License & Resident Business Entity Producer License.**
- \_\_\_\_\_ 6. **Enclosed a copy of corporate Articles of Organization** (if a corporation).
- \_\_\_\_\_ 7. **Enclosed a list of all corporate officers and directors** (if a corporation).
- \_\_\_\_\_ 8. **Enclosed a record of all stock ownership** (if a corporation).
- \_\_\_\_\_ 9. **Enclosed a letter** from an agency or company **from which the experience requirement was met** detailing the applicant's involvement in Massachusetts private passenger automobile insurance.
- \_\_\_\_\_ 10. **Remember to provide verification of completion of an approved Claims Reporting and Fraud Recognition Course within six (6) months of the date of CAR's certification of the agency as an Assigned Risk Producer (ARP) for all agency employees involved in private passenger insurance matters.**
- \_\_\_\_\_ 11. **Electronic access to the MAIP and Registry of Motor Vehicles .**
- \_\_\_\_\_ 12. **Complete Producer Security Access Form.**

Initial/Date: \_\_\_\_\_

**APPLICATION FOR ASSIGNED RISK PRODUCER CERTIFICATION  
Massachusetts Automobile Insurance Plan (MAIP)**

**COMMONWEALTH AUTOMOBILE REINSURERS**

101 Arch Street, Suite 400  
BOSTON, MASSACHUSETTS 02110  
617-338-4000 617-338-5422 (FAX)

Provide all information and materials requested on the instruction page. Incomplete application packages will result in processing delays and possible declination.  
Complete and return to the **RESIDUAL MARKET SERVICES DEPARTMENT** at the above address.

**I. AGENCY INFORMATION**

**A. AGENCY NAME:**

Provide copy of License. Agency name must be the same as it appears on the producer's license. For corporations and LLCs provide Articles of Organization as filed with the Secretary of State's office, and which include names and titles of all officers and directors as well as details of stock ownership.

**B. Business Address of the Primary Office Location:**

1. Street:   
City/Town:  State:  Zip:   
Business Telephone(s):  Fax:   
E-mail address (Required):   
Errors and Omissions Carrier:  Amount:   
Agency Hours:

**ADDITIONAL AGENCY OFFICE LOCATIONS (Same agency name)**

2. Street:  City/Town:  Zip:   
Licensed producer name(s) at this location:   
3. Street:  City/Town:  Zip:   
Licensed producer name(s) at this location:   
4. Street:  City/Town:  Zip:   
Licensed producer name(s) at this location:   
5. Street:  City/Town:  Zip:   
Licensed producer name(s) at this location:   
6. Street:  City/Town:  Zip:   
Licensed producer name(s) at this location:

(If more than 6, additional office location information may be provided on a separate sheet of paper)

Initial/Date: \_\_\_\_\_

**I. AGENCY INFORMATION (continued)**

**C.** List all employees, with titles, who plan on obtaining access to the MAIP Policy Application:

<u>Individual</u>	<u>Title</u>	<u>Licensed? (yes/no)</u>	<u>Office Location</u>

(Additional employee information may be provided on a separate sheet of paper)

Note: Any employee requesting access to the MAIP Policy Application is required to complete an approved Claims Reporting and Fraud Recognition course within 6 months of hire and/or certification of the agency.

**D.** Does the applicant have electronic access to the Massachusetts Registry of Motor Vehicles for purposes of verification of driving records and any potential outstanding premiums owed by an applicant for insurance to an Assigned Risk Company?

Check one: YES:  NO:

Comments:

**E.** Indicate whether the applicant has any relationship with any current agency which is owned, operated or managed by the same individual(s) as the applicant or shares space with another broker or agency with a Massachusetts private passenger automobile market. If none, indicate **NONE**.

Other Agency                      Association/Details

<input type="text"/>	<input type="text"/>
----------------------	----------------------

**F.** Indicate any other agency or group with which the applicant may have an agreement or an ability for placement of private passenger automobile insurance in Massachusetts. If none, indicate **NONE**.

Other Agency/Group                      Relationship Details

<input type="text"/>	<input type="text"/>
----------------------	----------------------

**G.** Indicate if the applicant is engaged in or associated with any type of business endeavor other than an automobile insurance agency (i.e., other insurance, real estate, tax service, vehicle sales, vehicle repairs, leasing, rental). Indicate if the applicant is employed or receives income in a capacity other than as an automobile insurance agency. If none, indicate **NONE**.

Name of Business/Employer                      Type of Business                      Position

<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------

Address:

**II. MARKET EXPERIENCE**

**H. Experience Requirement:** List agencies or companies with which, during the past twelve months, an association existed for placement or writing of private passenger automobile coverage(s). Indicate type of association (employee, brokerage agreement, referral only, servicing of policies, etc.), dates of association, and volume of business with which the applicant was directly involved. Provide documentation from the agency or company confirming experience. If none, indicate **NONE**.

<u>Agency/Company</u>	<u>Association</u>	<u>From/To</u>	<u># of Private Passenger Policies</u>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**I.** Indicate whether the applicant has had an Assigned Risk Producer certification revoked by Commonwealth Automobile Reinsurers (CAR). If none, indicate **NONE**.

Details

**J.** Indicate whether there has been a breach of a contract between the applicant or by an employee with an Assigned Risk Company. If none, indicate **NONE**.

Company

Details



**K.** Indicate whether there is any premium owed or in dispute with any insurance company. Indicate whether there has ever been a default on any automobile premiums due to any company. If none, indicate **NONE**.

Company

Details



**L.** Indicate if any license held by the applicant or by an employee has been suspended or revoked by the Division of Insurance or if any such license has been surrendered in the course of, or as a result of, an investigation by the Division of Insurance or Attorney General's Office. If none, indicate **NONE**.

Details

**M.** Indicate if the applicant or an employee has been convicted of a crime related to his/her occupation as a producer. If none, indicate **NONE**.

Details

**III. AUTHORIZATION AND SIGNATURE**

**AUTHORIZATION**

I hereby declare that the information on this application is complete and true to the best of my knowledge.

I have read and understand CAR's Rules of Operation and all MAIP procedures and requirements on CAR's website. I hereby agree to comply with the provisions of CAR's Plan and Rules of Operation, the Assigned Risk Producer Procedures Manual, MAIP certification requirements, and the applicable regulations of the Division of Insurance. I also agree to comply with any future changes to the Rules or any directive of CAR's Governing Committee or the companies to which policies may be assigned.

I understand that the MAIP stamp provided to the agency for purposes of certifying coverage with the Massachusetts Registry of Motor Vehicles is the property of CAR and is not to be reproduced. Replacement of a MAIP stamp and/or requests for additional stamps will be authorized only through CAR. I agree that use of the MAIP stamp will be only by a licensed and MAIP authorized representative of the agency.

I understand that I and my employees are required to receive training on claims reporting and fraud recognition. Such training must be completed within six (6) months of certification to immediately submit motor vehicle insurance policies for placement through the MAIP with an Assigned Risk Company. Further, any new agency employees must complete said training within six (6) months of hire.

I agree 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 agree to notify the MAIP of a change in the agency status (i.e. name change, change in address, ownership, etc.) immediately upon the change.

I hereby authorize the Massachusetts Division of Insurance to release to the Commonwealth Automobile Reinsurers any information pertinent to the producer's license(s), agency location, agency operation, personnel, associates and other business operations.

I hereby authorize CAR to release any and all agency information contained in or supplemental to the completed application for appointment as an Assigned Risk Producer to an Assigned Risk Company or any duly authorized regulatory body upon request, and as approved by CAR.

Date: \_\_\_\_\_ Authorized signature and title: \_\_\_\_\_

Print name of authorized signature: \_\_\_\_\_

Print

**AGENCY INFORMATION UPDATE FORM**

**COMMONWEALTH AUTOMOBILE REINSURERS**

101 Arch Street, Suite 400  
BOSTON, MASSACHUSETTS 02110  
617-338-4000 617-880-7298 (FAX)

**INSTRUCTIONS**

- A. Complete **ALL** information on the form. The form is located online in the MAIP section of CAR's website (www.commauto.com), under Forms. The completed form must be forwarded to CAR.
- B Use, sign and date a separate sheet of paper for explanations, if necessary.
- C If changing or updating the agency's name **forward** a copy of the agency's current Massachusetts **producer's license(s)**. If operating as a corporation, LLC or under a trade (dba) name, that name must appear on the producer's license.
- D If the change involves an incorporation or LLC, **enclose** applicable documents that identify the agency's officers and directors (i.e. current Annual Statement or Articles of Organization) and details of corporate stock ownership.
- E **Please note that proof of completion of a Claims Reporting and Fraud Recognition course must be provided for all new agency employees within six (6) months of hire.** Failure to provide proof will result in denial of access to the MAIP Policy Application.

NOTE:

- 1 Misrepresentation of facts or failure to divulge all pertinent information may disqualify you for certification as an Assigned Risk Producer for a period not less than sixty days, in accordance with CAR's Rules of Operation.
- 2 Current business addresses of all office locations of the agency must be on file at CAR. Subsequent **changes of agency name or office address(es)**, or any addition of a business location must be **reported to CAR IMMEDIATELY.**
- 3 **Changes in agency employees** who have access to the MAIP Policy Application or who are involved in point of sale activities relative to automobile insurance coverages must be reported to CAR **IMMEDIATELY.**

**AGENCY INFORMATION UPDATE FORM**

**COMMONWEALTH AUTOMOBILE REINSURERS**

101 Arch Street, Suite 400  
 BOSTON, MASSACHUSETTS 02110  
 617-338-4000 617-880-7298 (FAX)

Provide all information and materials requested on the instruction page (where applicable).  
 Failure to do so may cause delays in processing the changes.  
 Complete and return to the **RESIDUAL MARKET SERVICES DEPARTMENT** at the above address.

**I. AGENCY INFORMATION**

**AGENCY NAME:**

Provide copy of License. Agency name must be the same as it appears on the producer's license. If the update involves an incorporation or LLC, provide documents that identify all officers and directors of the corporation as well as details of stock ownership.

**Business Address of the Primary Office Location:**

I. Street:

City/Town:  State:  Zip:

Business Telephone(s):  Fax:

E-mail address (Required):

**I. ADDITIONAL OFFICE LOCATIONS (Same agency name)**

**Business Address(es) of Other Office Location(s):**

II. Street:	<input type="text"/>	City/Town:	<input type="text"/>	Zip:	<input type="text"/>
III. Street:	<input type="text"/>	City/Town:	<input type="text"/>	Zip:	<input type="text"/>
IV. Street:	<input type="text"/>	City/Town:	<input type="text"/>	Zip:	<input type="text"/>
V. Street:	<input type="text"/>	City/Town:	<input type="text"/>	Zip:	<input type="text"/>
VI. Street:	<input type="text"/>	City/Town:	<input type="text"/>	Zip:	<input type="text"/>

List the name(s) of licensed producer(s) at these location(s) below:

List **all** employees, with titles, who plan on obtaining access to the MAIP Application:

<u>Individual</u>	<u>Title</u>	<u>Licensed?</u>	<u>Location</u>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Print

**AUTHORIZATION**

I hereby declare that the information on this form is complete and true to the best of my knowledge.

I have read and understand CAR's Rules of Operation and all MAIP procedures and requirements on CAR's website. I hereby agree to comply with the provisions of CAR's Plan and Rules of Operation, the Assigned Risk Producer Procedures Manual, MAIP certification requirements, and the applicable regulations of the Division of Insurance. I also agree to comply with any future changes to the Rules or any directive of CAR's Governing Committee or the companies to which policies may be assigned.

I hereby authorize the Massachusetts Division of Insurance to release to the Commonwealth Automobile Reinsurers any information pertinent to the producer's license(s), agency location, agency operation, personnel, associates and other business operations.

I hereby authorize CAR to release any and all agency information contained in or supplemental to the completed application for appointment as an Assigned Risk Producer to an Assigned Risk Company or any duly authorized regulatory body upon request, and as approved by CAR.

Date: \_\_\_\_\_ Authorized signature and title: \_\_\_\_\_



## AGENCY SECURITY ADMINISTRATOR FORM

### ASSIGNED RISK PRODUCER COMMUNICATIONS ACCESS AGREEMENT

The  (hereafter "Agency") hereby agrees to  
 (Agency Name)

the following terms and conditions of gaining and maintaining access to Commonwealth Automobile Reinsurers' (CAR's) secure Massachusetts Automobile Insurance Plan System (MAIP System) on its Website:

1. The Agency will designate an Agency Security Administrator who will perform the following functions:
  - request access for Agency employees
  - reset passwords
  - provide information relative to security audits
  - address security breaches
  - act as a communications liaison between the Agency and CAR relative to all matters of security for access to CAR
2. CAR will assign User IDs for all access to CAR to each individual designated by the Agency Security Administrator.
3. The User ID will be specific to the designated individual and may not be shared. Any change in that individual's status with the agency must be reported to CAR within 5 business days.
4. CAR will disable User IDs that have been inactive for more than 60 consecutive days.
5. User IDs will not be disclosed to any party other than the Agency Security Administrator, the individual User and CAR, unless specifically required by law.
6. The Agency certifies that it will maintain compliance with 201 CMR 17.00, Standards for the Protection of Personal Information of Residents of the Commonwealth.
7. Any questions or problems with regard to security or operational issues arising out of this agreement must be communicated by the Agency Security Administrator to a member of CAR's Data Operations Department.
8. The Agency agrees that CAR, in its sole discretion, shall have the right to cancel the agency's User ID(s) for failure to comply with any of the above provisions, for misuse of any application, or for attempting to access restricted areas.

**Agency Security Administrator**

<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/>	
First Name	Last Name	Additional Agency Locations (city only required)
<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/>
Email Address		<input style="width: 95%; height: 20px;" type="text"/>
<input style="width: 95%; height: 20px;" type="text"/>		<input style="width: 95%; height: 20px;" type="text"/>
Telephone No		<input style="width: 95%; height: 20px;" type="text"/>
<input style="width: 95%; height: 20px;" type="text"/>		<input style="width: 95%; height: 20px;" type="text"/>
Street		<input style="width: 95%; height: 20px;" type="text"/>
<input style="width: 95%; height: 20px;" type="text"/>		<input style="width: 95%; height: 20px;" type="text"/>
City		

\_\_\_\_\_  
 (Signature)

\_\_\_\_\_  
 (Date)

Please return form to:

Commonwealth Automobile Reinsurers  
 Data Operations Department  
 101 Arch Street, Suite 400  
 Boston, MA 02110

Print



NATALIE A. HUBLEY  
PRESIDENT

# COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110

www.commauto.com

617-338-4000

## MAIP STAMP REQUEST FORM

(Print Agency's Legal Name)

**please check the applicable box**

- Replacement Stamp(s) for existing and current office location
- New Stamp(s) for new office location
- Duplication Request - authorization for stamp(s) duplication for existing office location(s).

**Duplication, replacement or any reproduction of the stamp can NOT proceed prior to a written authorization receipt from CAR. The agency will be responsible for manufacturing and/or replacement of an approved stamp request. Unauthorized manufacturing and use of stamps will result in the decertification of the agency with notification to the Division of Insurance.**

=====

**please complete section below for all requests**

Location of Office(s):

Street

Street

City

City

State  Zipcode

State  Zipcode

Number of additional Stamps Requested:

Reason for request and comments:

Use and/or duplication of MAIP stamps without the express authority of CAR is strictly prohibited. Unauthorized use or duplication will result in the decertification of the Assigned Risk Producer with notification to the Division of Insurance and Registry of Motor Vehicles.

Name - Print full name of producer as licensed

Email

Title

\_\_\_\_\_  
Signature

(Completed and signed forms may be faxed to the Residual Market Services Department at 617-880-7298).



**COMMONWEALTH AUTOMOBILE REINSURERS**

101 Arch Street, Suite 400 Boston, Massachusetts 02110  
 www.commauto.com 617-338-4000

NATALIE A. HUBLEY  
 PRESIDENT

**AUTHORIZATION TO CERTIFY MOTOR VEHICLE INSURANCE COVERAGE**

The  ,  
 (Agency's Legal Name)

being duly authorized under Chapter 175 of the General Laws of the Commonwealth of Massachusetts as an insurance producer licensed to sell, solicit and negotiate insurance, and further certified as an Assigned Risk Producer (ARP) for the Massachusetts Automobile Insurance Plan (MAIP) pursuant to the Commonwealth Automobile Reinsurers (CAR) Rules of Operation, hereby

(please check the applicable box)

- grants  revokes

this limited durable power of attorney, authorizing the following individual(s):

<input type="text"/>	<input type="text"/>
Name of Employee (Print)	Name of Employee (Print)
<input type="text"/>	<input type="text"/>
Employer	Employer
<input type="text"/>	<input type="text"/>
Office Location (Town)	Office Location (Town)

to certify, through the use of the MAIP stamp provided to the ARP by CAR, the existence of motor vehicle insurance coverage for risks assigned to an Assigned Risk Company by CAR. Such authority is extended only to those policies issued through the Massachusetts Automobile Insurance Plan and produced in the course of the individual's employment agreement with the insurance agency.

This instrument shall be effective upon receipt by CAR. A grant of authority continues until revoked by the agent with notice to CAR.

<input type="text"/>	<input type="text"/>
Name - Print full name of agent as licensed	Email
<input type="text"/>	
Title	

\_\_\_\_\_  
 Signature

(Completed and signed forms may be faxed to the Residual Market Service Department at 617-880-7298).

Print

## **ASSIGNED RISK COMPANY PERFORMANCE STANDARDS**

### **Category I**

#### **A. Claims Performance**

Claim adjustment practices and procedures shall be in accordance with the established Performance Standards and shall correspond with those followed for voluntarily written business.

#### **B. Certificates of Insurance**

The Assigned Risk Company (ARC) shall, at the request of the named insured or producer of record, issue certificates of insurance, which shall include SR-22 filings. Such certificates or filings must be provided within four business days after receipt of a request for same.

#### **C. Cancellation – Insufficient Down Payment**

The ARC may not cancel a policy for non-payment of premium if such premium deficiency is the result of an insufficient down payment. The ARC shall bill the policyholder for the amount of the deficiency, or otherwise incorporate the amount in future premium installments. If the policyholder fails to pay the minimum amount due, then the ARC may issue a statutory notice of cancellation for non-payment of premium.

#### **D. Cancellation - Misrepresentation**

To prevent wrongful cancellation, if during the underwriting process an ARC discovers third-party information that appears inconsistent with the information provided on the application for insurance, the ARC shall 1) initiate an inquiry either directly with the insured or through the producer of record to resolve any factual errors; and 2) obtain the insured's consent before issuing a notice of adjustment to the down payment and/or total premium. If the inquiry is made directly to the applicant the producer of record shall be furnished a copy.

If the resolution of an apparent inconsistency results in a change to information used to calculate premium, the ARC shall charge an appropriate premium based upon the additional or corrected information, and adjust the applicant's next bill accordingly. If however, the applicant is unwilling to consent to the modification, and the ARC has independent evidence that the applicant had the actual intent to deceive or the material misrepresentation increases the ARC's risk of loss, the ARC may cancel the policy as provided by Massachusetts law.

#### **E. Reinstatement**

If the reason for a cancellation or non-renewal has been remedied prior to the effective date, then the ARC shall reinstate the policy or issue the renewal.

#### **F. Disputed Premium Recalculation**

The ARC shall issue an endorsement recalculating premium within 15 days from the receipt of a determination validating an incorrect premium charge identified as a result of a complaint filed in accordance with ARC Performance Standard K – Premium Disputes.

## **Category II**

### **G. Policy Issuance**

The ARC must issue a policy within 15 calendar days of the receipt of a completed application and any supplemental information needed to verify and appropriately calculate the premium for the coverages requested.

### **H. Endorsements**

Any endorsement to an assigned policy, which includes all information necessary for processing, shall be issued within 15 calendar days of receipt.

### **I. Return Premiums**

Return premium checks must be mailed within 30 calendar days of the effective date of the cancellation or endorsement generating the return.

### **J. Policy Changes**

If policy changes are mailed directly to the insured, copies must be furnished to the Assigned Risk Producer.

### **K. Premium Disputes**

The ARC shall reply within 15 calendar days to letters disputing the premium charged.

### **L. Commissions**

Commission shall be paid no less frequently than monthly and shall be paid within 15 calendar days after the close of the month in which the commission was credited to the producer's account. Each payment will include a commission statement that contains the policy number, named insured, and amount of premium on which the commission has been calculated.

### **M. Cancellation Notices**

A copy of each cancellation notice issued by an ARC shall be furnished to the producer of record.



999 - ANY NSURANCE AGENCY

Submit Complaints

Start an ARC complaint by selecting the associated assignment from the list below. The range of assignments can be filtered by changing the Start and End dates below.

Selection Criteria

Assignment Date

Start

Jul

7

2019

End

Jul

16

2019

Retrieve Data

Assigned Applications

The list below shows MAIP assignments during the date range specified above. The certification number is the combination of company number, agency number, and MAIP ID. Results are limited to 1000 records. Create a complaint report by double-clicking a row or by selecting a row and then clicking the button below the list.

2 Records

<u>Cert. No</u>	<u>Company Name</u>	<u>Applicant</u>	<u>Policy ID</u>	<u>Pol.Eff Date</u>	<u>Assign Date</u>	<u>Complaint</u>
999-99999-00001	Any Insurance Co	Applicant 1		7/15/2019	7/15/2019	
999-99999-00002	Any Insurance Co	Applicant 2		7/10/2019	7/10/2019	

Report Complaint



999 - ANY INSURANCE AGENCY	
Submit Complaint	
<p>Complete the following information. A copy of this complaint will be sent to CAR and to the Assigned Risk Company (ARC). Response from the ARC must be issued within 5 days of receipt of complaint. The ARC's response will be forwarded to the email supplied below. Once the ARC has responded, CAR will close the complaint and respond with any action or comments required. Multiple complaints may be submitted, each one identified by the complaint date.</p>	
<p>Complaint Date 7/16/2019</p>	
<p>Assignment Assigned Risk Company 999 - Any Insurance Company Named Insured (MAIP Policy) Applicant 1 MAIP Application Certification No. 999-99999-00001 Assigned Risk Company Policy No.</p>	
<p>Complaint Select one or more of the following</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> <b>Policy Processing Delay</b> (original policy or subsequent endorsement not issued within 15 calendar days of the receipt of the assigned application or endorsement request, including any supplemental information necessary to process the request)</li> <li><input type="checkbox"/> <b>Policy Processing Delay</b> (certificate of insurance not issued within 4 business days of request)</li> <li><input type="checkbox"/> <b>Return Premium</b> (within the 30 calendar days of the effective date of the cancellation or endorsement that results in a refund)</li> <li><input type="checkbox"/> <b>Policy Changes</b> (copies must be furnished to the ARP if furnished to the policy holder)</li> <li><input type="checkbox"/> <b>Premium Dispute</b> (failure to respond within 15 days of receipt of the complaint)</li> <li><input type="checkbox"/> <b>Premium Dispute</b> (failure to recalculate premium)</li> <li><input type="checkbox"/> <b>Claims Performance</b> (provide details below)</li> <li><input type="checkbox"/> <b>Commissioning</b> (no less frequently than monthly and within 15 days after the close of the month in which the commission is credited to the producer's account)</li> <li><input type="checkbox"/> <b>Invalid, Improper, or Unreasonable Cancellation</b> (insufficient down payment, material misrepresentation, provide details below)</li> <li><input type="checkbox"/> <b>Cancellation Notices</b> (copies must be furnished to the ARP)</li> <li><input type="checkbox"/> <b>Reinstatement</b> (failure to reinstate if the reason for cancellation or non-renewal has been remedied prior to the effective date)</li> <li><input type="checkbox"/> <b>Other</b> (note below and provide details of complaint)</li> </ul> <p>Complaint Details</p> <div style="border: 1px solid black; height: 30px; width: 100%;"></div>	
<p>Producer Attachments File: <input type="text" value="Choose File"/> No file chosen <input type="button" value="Attach"/></p>	
<p>A completed copy of this complaint will be sent to the Assigned Risk Company for which they may submit a response. The email on file for this ARC is company@company.com.</p> <p style="text-align: center;"><input type="button" value="Submit Complaint"/></p>	





<p><b>2</b></p>	<p><b>Details of Aggrievement(s):</b></p>	<p>Provide specific detail for each reason for the requested review cited above, including references to violations of CAR or MAIP Rules, the agency contract, or established practices of CAR, MAIP or one of its Members. Include historical reference, where appropriate. Attach supporting documentation.</p>
	<p><b>3</b></p>	<p><b>Actions(s) Taken to Date to Resolve the Matter:</b></p>

### **Scheduling of Review**

Upon receipt of a completed Request for Review/Relief Form, a hearing date will be established within 15 business days. After a date has been confirmed, CAR will issue a written Notice of Meeting to all affected parties and in compliance with the Open Meeting Law.

### **Request for Continuance**

A request for a continuance of a review of the matter by CAR will be granted upon the agreement of all parties. Absent the agreement of all parties, a request for a continuance must be presented to the assigned Committee for approval.

### **Submission of Written Information**

Any parties wishing to present written materials to be considered by the designated Committee must submit them to CAR's Docket Clerk no later than 12:00 p.m., 5 business days prior to the scheduled meeting date. Timely submitted materials will be docketed by CAR and distributed to the Committee as soon as practicable. Written materials submitted to CAR after 12:00 p.m. on the 5th business day prior to the scheduled meeting date will not be entered on the docket, but the submitting party may petition the Committee directly for consideration of such materials. The Committee has the discretion to determine whether such materials will be considered in its deliberations. In addition, parties who petition the Committee for the submission of materials are expected to be prepared to provide a minimum of 25 copies at the meeting. Parties should provide copies of ALL written materials that they wish considered in the matter to the opposing party in concert with their submission(s) to CAR and/or the Committee.

*All written materials submitted must be in compliance with 201 CMR 17.00: Standards for the Protection of Personal Information of Residents of the Commonwealth, which implements the provisions of M.G.L. c. 93H. That is, any personal information that includes a Massachusetts resident's first and last name or first initial in combination with one or more of the following data elements that relate to such resident; a) Social Security number, b) driver's license or state-issued identification card number or c) financial account number (including an insurance policy number), or credit or debit card number, **must be redacted**. Any document submission determined to not be in compliance with the standards will result in the materials being returned to the sender for correction and may impact its distribution to the reviewing Committee.*

**15 Day Waiver: Initial below if waiving the need for review within 15 business days:**

**I waive the 15 business day review while retaining rights to a review: (Initial): \_\_\_\_\_**

**PLEASE NOTE: THIS FORM MUST BE COMPLETED AND RETURNED TO CAR  
PRIOR TO THE INITIATION OF A FORMAL REVIEW PURSUANT TO  
CAR RULE 20/MAIP RULE 40**



999 - ANY INSURANCE AGENCY

Respond/View Violations

View or respond to violations submitted by an Assigned Risk Company by selecting the violations from the list below. Violations requiring a response have the Certification Number highlighted below. If you fail to respond to the alleged violations within 20 days of the violation receipt, the violation will be deemed valid. The range of violations can be filtered by changing the Start and End dates under Selection Criteria.

Selection Criteria

Violation Date

Start                      End                      Valid                      Response

Jan ▼ 16 ▼ 2019 ▼      Jul ▼ 16 ▼ 2019 ▼      All ▼                      All ▼

Retrieve Data

Violations

The list below shows violations during the date range specified above. The certification number is the combination of company number, agency number, and MAIP ID. Results are limited to 1000 records. View a violation by double-clicking a row or by selecting a row and then clicking the button below the list.

2 Records

<u>Cert No</u>	<u>Company Name</u>	<u>Applicant</u>	<u>Viol. Date</u>	<u>Policy ID</u>	<u>Response</u>	<u>Valid</u>
999-99999-0001	Any Insurance Company	Applicant 1	4/30/2019		5/6/2019	
999-99999-0002	Any Insurance Company	Applicant 2	3/11/2019		3/13/2019	

View/Respond



## 999 - ANY INSURANCE AGENCY

## Violation Response

This violation of CAR Rule 31 in the Rules of Operation has been reported to CAR. Your response to the alleged violation is required. Validated violations of the Rule may result in the suspension or termination of the agency certification as an Assigned Risk Producer. Suspension and termination details may be found in the MAIP section of CAR's website.

Response has been submitted

Status      Submit Date  
4/30/2019

## Assignment

Assigned Risk Producer  
Any Insurance Agency

Named Insured (MAIP Policy)  
Applicant 1

MAIP Application Certification No.  
999-99999-0001

Assigned Risk Company Policy No.

## Violations

- Other (note below)
- Violation Details

Company Action

## Company Attachments

## Company Representative submitting violation

Company  
999 - Any Insurance Company  
Name

Email for all responses regarding this form  
company@company.com

## Response

Response Date  
5/6/2019

The ARP should complete the response in the space provided below and attach any supporting documentation using the attachment function. Acknowledged violations should include action taken by the agency to resolve such issues from occurring in the future. If the ARP fails to respond to the alleged violation(s) within 20 days of the violation receipt, the violation(s) will be deemed valid. The producer may include any documentation to support any refutation of the allegations.

Assigned Risk Producer Response

## Producer Attachments

File:  No file chosen

## Producer/Agent making response

Name  
Representative's Name

Assigned Risk Producer Email  
producer@producer.com

## CAR Review

Review Date  
5/14/2019

CAR Action

All private passenger motor vehicle insurance business must either be written voluntarily by a company or be declined and referred for placement through the MAIP, subject to the non-eligibility requirements described in Section B. of this Chapter.

Additional eligibility details are described in Rule 26 – Policyholder Rights and Responsibilities of CAR’s Rules of Operation.

**A. Applicants Eligible for MAIP Coverage**

Coverage through MAIP is available to residents and non-residents of the Commonwealth of Massachusetts. The motor vehicle to be insured must already be registered or will be registered in the Commonwealth of Massachusetts within 15 days. Note, however, that the motor vehicle of a non-resident member of the United States military forces may be registered in another state provided that such military non-resident is stationed in the Commonwealth of Massachusetts at the time of application and is otherwise eligible for insurance.

An applicant must first attempt to obtain motor vehicle insurance in the voluntary market. If the applicant is unable to secure a voluntary insurance policy, the applicant is eligible for placement through MAIP. An application submitted to CAR through the MAIP Policy Application and signed by the applicant may be considered certification that the applicant has attempted to obtain motor vehicle insurance in the voluntary market.

An application for MAIP placement shall be considered in good faith as long as the applicant reports all information of a material nature, does not make incorrect or misleading statements and is otherwise eligible for motor vehicle insurance and for MAIP placement.

An applicant with a valid foreign driver’s license from any country is eligible for MAIP placement. If the foreign driver’s license is not written in English or does not contain an English translation, the license holder must obtain and carry either a valid International Driving Permit or an acceptable alternative translation document. Specific information relative to driving privileges for foreign licensed drivers is available on the Massachusetts Registry of Motor Vehicles website ([www.mass.gov/rmv](http://www.mass.gov/rmv)).

**B. Applicants Not Eligible for MAIP Coverage**

1. An Assigned Risk Company (ARC) is required to offer or continue to offer motor vehicle insurance to an applicant or insured except under the following circumstances:
  - a. if any person who usually drives the motor vehicle does not hold, is not eligible to obtain or fails to obtain a driver's license as required by law,
  - b. if the applicant or any person who usually drives the motor vehicle has failed to pay a company any premium due during the preceding 12 months, and/or
  - c. if the applicant has failed to make the motor vehicle(s) available for inspection pursuant to 211 CMR 94. In this circumstance, the applicant will not be entitled to physical damage insurance in accordance with Rule 27 – Coverages of CAR's Rules of Operation and no ARC will be required to offer or continue to offer physical damage coverage to the applicant.
2. An applicant that is otherwise eligible for insurance coverage is not eligible for placement through the MAIP 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 will be eligible for insurance through the MAIP if any of the entities have failed to meet its premium obligations as noted in Section B.1.b.

**C. Motor Vehicles Eligible for MAIP Assignment**

Any motor vehicle that may be insured under the standard Massachusetts Private Passenger Automobile Insurance Policy and that meets the private passenger definition in the Massachusetts Private Passenger Residual Market Automobile Insurance Manual is eligible for MAIP assignment.

**D. Re-Eligibility Criteria**

An applicant that is denied or is not eligible for insurance coverage through the MAIP or that has had insurance cancelled in accordance with Rule 26 – Policyholder Rights and Responsibilities of CAR's Rules of Operation may reapply for MAIP coverage once the cause of ineligibility has been resolved or the circumstances surrounding the

ineligibility have changed. The application will be treated as a new business application and the applicant will be assigned to a Member in accordance with Rule 29 – Assignment Process of CAR’s Rules of Operation, and will be subject to the applicable premium deposit requirements specified in Rule 28 – Application Process of CAR’s Rules of Operation.

If the applicant had a policy that had been previously cancelled for non-payment of premium and has an outstanding premium balance due on an assigned risk policy, the applicant will be assigned to the same ARC to which the premium is due and the policy premium deposit will be applied first to the outstanding premium due and any remaining deposit balance will be applied to the new policy.

**A. Application Submission and Data Verification**

1. Hours of Operation and Availability of the MAIP Policy Application System

To obtain private passenger motor vehicle insurance coverage through MAIP for an eligible risk, an Assigned Risk Producer (ARP) must electronically submit an application to CAR via the online MAIP Policy Application. The Producer area of CAR's website, including access to the MAIP Policy Application, is available Monday through Saturday from 7:00 a.m. to 7:00 p.m. Questions relating to the MAIP Policy Application or policy assignment process may be directed to CAR staff via the CAR Help Line at (617) 338-4000 or by email at [maipsupport@commauto.com](mailto:maipsupport@commauto.com). The CAR Help Line is available Monday through Friday from 8:30 a.m. to 4:30 p.m.

2. Submission of Policy Information

Application data may be submitted either through the upload of policy information from the producer's agency management software or through the direct entry of data into the MAIP Policy Application. The MAIP Policy Application requires the entry of applicant, vehicle, driver and coverage information into several data screens.

a. Verification of Policy Data for Accuracy and Completeness

It is the responsibility of the ARP to assure that the information reported on the application is accurate and complete and that Uninsured Motorist System (UMS) and merit rating data and any other available information is accessed in order to verify the driving history of the applicant. As the ARP enters application data into the MAIP Policy Application, the online system will verify the reported information for compliance with field requirements. If the application information is incomplete or invalid, the MAIP system will not allow submission of the application for assignment to an Assigned Risk Company (ARC) until all required fields are complete and validated.

b. Registry of Motor Vehicles (RMV) and Vehicle Identification Number (VIN) Look-Ups

When logging onto the MAIP Policy Application, ARPs will initially view an Application Pre-Fill screen. If Massachusetts is



selected as the applicant's licensed state, the screen will require the ARP to enter the applicant's license number and the vehicle VIN(s). If a state or jurisdiction other than Massachusetts is selected, the screen requires that the ARP enter applicant name(s) and vehicle VIN(s).

For those applicants with a Massachusetts license, a look-up will occur and the licensee's name, address, date first licensed, date first licensed – motorcycle (if applicable), date of birth, and merit rating will be returned and pre-filled on the Vehicle Page. In addition, any owed premium will be returned and reflected in the Coverage and Remarks sections of the application.

The ARP may update the insured's address and date first licensed; however, the data in all other pre-filled fields may not be changed. The Remarks section should be used to indicate changes in the information of these fields.

Entering of the VIN(s) will generate a look-up and return the year, make, model, collision and comprehensive Vehicle Rating Group (VRG), high theft and passive restraint fields for most vehicle types. Valid information will be pre-filled on the Vehicle Page. A VIN look-up is required for each vehicle in order for a policy assignment to be made. If the VIN entered for look-up is determined to be invalid, vehicle data may be added manually or edited as necessary via the Vehicle Page; however, VRG codes, which will initially default to a code 24, may only be adjusted upwards.

Only limited look-up information is available for motorcycles, trailers and recreational vehicles such as motor homes. The information that is unavailable for these vehicle types may be entered manually by the ARP. Note that a motorcycle, trailer or recreational vehicle may be written on the same policy as a private passenger automobile.

c. Denial of Physical Damage Insurance Coverage in MAIP Under Certain Circumstances

Under certain circumstances, an ARC must charge the insured the extra risk rate or in the alternative may refuse to issue collision, fire, theft or comprehensive coverage. For example, an ARC may refuse to issue physical damage insurance coverage on a vehicle

operated or owned by persons convicted of vehicular homicide, motor vehicle insurance related fraud or motor vehicle theft during the most recent five-year period or on a vehicle customarily driven or owned by applicants convicted within the most recent three-year period of any category of driving while under the influence of alcohol or drugs. Refer to Rule 27 – Coverages of CAR’s Rules of Operation for a full description of the applicable circumstances under which an ARC may deny physical damage insurance.

Producers must inform an applicant that meets the physical damage insurance coverage criteria specified in Rule 27 that although the applicant’s policy may initially be rated with physical damage coverage via the MAIP Policy Application, the assigned company will ultimately determine whether to issue the policy with physical damage insurance coverage.

d. **Calculation of MAIP Policy Premium and Down Payment Amount**

According to the limits and coverages selected, the MAIP Policy Application system will determine policy premium based upon the approved MAIP rates. Based upon the quoted MAIP premium amount, a 25% new business deposit premium will also be determined and displayed on the Coverage page.

In the situation where the applicant had previously been cancelled for non-payment of premium, refer to Rule 28.C. – Application Process of CAR’s Rules of Operation or to Section B.7.b. of this Chapter for information regarding additional premium collection requirements.

**B. Assignment of an Application to an ARC**

Once the application information is complete, the ARP must indicate whether the insured’s submitted down payment should be calculated based upon 25% of the quoted MAIP premium or 30% of the lower of either the assigned ARC’s voluntary premium or the MAIP premium. The MAIP Policy Application will then allow the ARP to submit the application for assignment and the policy will be assigned to the ARC that will issue the policy. Policy assignment is based upon a Quota Share calculation that is further described in Rule 29 – Assignment Process of CAR’s Rules of Operation.

If the ARP indicated that the risk will provide a down payment equal to 30% of the lower of either the assigned company's voluntary premium or the MAIP premium, upon assignment the ARP will be provided with instructions for accessing the assigned ARC's voluntary rate. The ARC may provide the ARP with a voluntary rate quote through a direct link to the company's rating software, through a third-party comparative rating vendor or through a dedicated toll-free telephone quoting service.

Once the policy is assigned, the ARP may no longer make modifications to application data via the MAIP Policy Application or through CAR. Any necessary changes must be made directly with the ARC. ARC contact information is available either via a link provided to the ARP upon company assignment or the Company Directory link which is located on the MAIP Producer page of CAR's website.

Once an application is assigned to an ARC, the producer or insured may not attempt to change the assigned company other than for the specific reasons included in Rule 26.B. – Policyholder Rights and Responsibilities of CAR's Rules of Operation. Refer to Section B.3. of this Chapter for additional information relative to an applicant's right to request reassignment. If, after assignment, a producer or insured attempts to change company assignment by means of multiple applications through the MAIP or through another producer source, the assignment will always be returned to the originally assigned ARC.

If, after assignment to an ARC, the applicant declines coverage by failing to sign the application and/or providing the required deposit premium, the ARP may use the Void Assignment feature of the MAIP Policy Application to notify the ARC that the applicant has not accepted the assignment and that a completed and signed application and down payment will not be submitted.

The Void Assignment link is available on the MAIP Producer page of CAR's website. It may only be used for assignments made within the last two business days, however, it may not be used if a registration has been processed as a result of an assignment. If a policy is not taken by the insured subsequent to the two business days following the assignment, the ARP must directly communicate this information to the assigned company.

Note that the Void Assignment function should not be used to attempt to change the company to which the risk was originally assigned.

1. Exception to Assignment Basis

An application for MAIP coverage will be assigned to an ARC according to the Quota Share calculation described in Rule 29 – Assignment Process of CAR’s Rules of Operation. However, if the applicant has an outstanding premium balance due to a company on an assigned risk policy, the applicant will be assigned to the company to which premium is owed. The policy premium deposit will be first applied to the outstanding premium due and any remaining deposit balance will be applied to the new policy. On the Applicant page of the MAIP Policy Application, the ARP must indicate the premium amount owed, the policy number and the company to which the premium is owed.

2. Notification of ARC Assignment

Through the online MAIP Policy Application, the ARP is immediately notified of the name and company number of the ARC that will issue the policy, as well as the MAIP Certification Number that CAR has attached to the policy. The MAIP Certification Number consists of a combination of the assigned ARC’s company number, the MAIP Agency Number previously assigned to the producer by CAR, and a MAIP Sequence Number.

A completed assignment checklist, including a mailing and a website address for the ARC to which the policy is assigned, is also displayed. The ARP is further provided with a list of tasks required to complete the assignment process and additional documentation, including supplemental application information that must be submitted to the ARC. These items are described in more detail in Section B.7. of this Chapter.

The ARP must notify the applicant of the MAIP company assignment, the required deposit premium and the MAIP Installment Payment Plan requirements, as well as any additional information or forms required by the ARC to which the applicant has been assigned.

The ARP must also inform the applicant that once the application, deposit premium, and any additional or supplemental information are submitted to the assigned company, the ARC will recalculate the applicant’s policy premium based upon the company’s applicable voluntary rate. The applicant’s deposit payment will be applied to the

lower of the resultant premium amount or the premium based upon the MAIP rates.

### 3. Applicant's Right to Request Reassignment

Under limited circumstances, as specified in Rule 26.B. – Policyholder Rights and Responsibilities of CAR's Rules of Operation, an applicant may request reassignment to another ARC. To request reassignment, the ARP shall provide the applicant with a Request for Reassignment of Assigned Risk Company form (refer to Exhibit IV-B-1). This form may be obtained from the Assignments link on the MAIP Producer page of CAR's website. The applicant must complete the reassignment form and provide the required necessary documentation no later than 30 days following either the date of the initial assignment to an ARC or the annual policy renewal date. Note that an applicant may not request reassignment to another ARC if an outstanding premium balance is owed to the ARC to which the applicant was initially assigned. Additionally, the applicant may not request reassignment to a specific company.

The subsequent reassignment process is also performed based upon company Quota Share and will assure that the applicant will be reassigned to a company other than the ARC to which the request initially related.

Additional information relative to reassignment requests is specified in Rule 26.B. of CAR's Rules of Operation.

### 4. Non-Renewal of MAIP Risk After Three-Year Assignment Period

If an ARC intends to non-renew a policy at the end of its three-year assignment period, specific non-renewal and billing procedures apply.

On or about the first business day of the month, the ARC will distribute to the ARP a list of policies that the ARC does not intend to renew and which will expire during the month at least 120 days from the distribution date.

If the ARP is able to obtain replacement coverage for a risk in the voluntary market, the ARP must submit a Notice of Transfer of Insurer to the former ARC identifying the new carrier.

If the ARP is unable to obtain replacement coverage for the risk in the voluntary market, the ARP may submit an application for the risk for coverage through the MAIP.

If the assignment is made at least 60 days prior to the policy expiration date, the application will be assigned to a different ARC and the ARP must submit a Notice of Transfer of Insurer to the former ARC identifying the newly designated ARC. The ARC is not required to collect a down payment from the risk at the time of assignment. However, upon receipt of the application, the newly designated ARC will bill the applicant for 20% of the premium to be charged, which is the lower of the MAIP premium or the voluntary premium for which the risk qualifies. Additionally, the pre-inspection requirement will be waived provided that the vehicle(s) to be insured is the same as the vehicle(s) insured under the previous policy.

If an assignment is made 60 days or less from the policy expiration date, the ARP must collect a down payment in accordance with Rule 28 – Application Process of CAR’s Rules of Operation and it must be submitted to the assigned ARC with the signed application and any other required additional or supplemental information within two business days from the date of assignment.

If the designated ARC does not receive a Notice of Transfer of Insurer, the ARC will issue a Notice of Expiration of Policy Assignment to the risk at least 45 days prior to the policy’s expiration date with a copy sent to the ARP.

Upon receipt of the Notice of Expiration of Policy Assignment, the risk may reapply for coverage through the MAIP. This reapplication will be considered a new application and CAR will assign the applicant to a different ARC than the previously assigned ARC, in accordance with the quota share provisions of Rule 29 – Assignment Process of CAR’s Rules of Operations.

#### 5. Company Contact Information

Once a policy is assigned to an ARC, the ARP is provided with a checklist which includes the assigned company’s contact information. If the voluntary/MAIP premium down payment comparison option has been selected, instructions on access to the assigned ARC’s voluntary rate are also included. Additionally, from the MAIP Producer page of CAR’s website, ARPs are able to access a Company Directory link

which contains either a company link or an email address for each ARC. Via these links, companies provide ARPs with information relative to their company rates, underwriting, billing, claims and SIU operations, pre-inspection requirements and inspection sites, premium deposit payment information and billing remittance address, supplemental application information requirements and any other information necessary for successful policy submission and maintenance.

#### 6. MAIP Stamps

In order to provide proof of insurance to the RMV, all RMV forms must be stamped with a MAIP stamp.

A MAIP wet stamp will contain the MAIP Agency Number as assigned by CAR. MAIP wet stamps will contain lines for the name and company number of the ARC to which the policy is assigned and the ARP's signature. The ARP is required to accurately and legibly print the assigned company's name and number on the stamped RMV form for acceptance at the Registry. Two wet MAIP stamps will be provided to each certified ARP office location.

MAIP E-Stamps are also available for authorized use and can be found in the E-Stamp section of the MAIP Policy Application. The ARP is required to accurately select the correct E-Stamp for the assigned company and three-digit company number and apply an authorized signature for use with an RMV form.

Note that MAIP stamps may not be used as a courtesy to certify registration forms. A courtesy stamp may only be performed by another producer that represents the company insuring the applicant's vehicle, using that company's stamp.

For additional information regarding the authorization of stamp use, the duplication, replacement or request for additional stamps, the return of MAIP wet stamps and the use of the Authorization to Certify Motor Vehicle Insurance Coverage form, refer to Chapter II of this Manual.

#### 7. Documents to be Provided to the Assigned ARC

Within two business days of policy assignment, the ARP must provide the assigned ARC with the following:

a. Original Application

The original application must be printed and signed by the applicant and the ARP.

b. Premium Deposit

A premium deposit must accompany the application for MAIP coverage. The deposit may be in the form of a personal check, certified check, bank check, money order, premium finance company check or an ARP's check. All checks or money orders should be made payable to the assigned ARC.

For new business policies, a deposit equal to 25% of the quoted premium based on the MAIP rates, or if a voluntary rate quote is obtained by the ARP, 30% of the lower of the ARC's voluntary premium or the MAIP premium is required.

Note that there are several instances where modification to the premium collection procedures is required.

For those policies that an ARC elected not to write on a voluntary basis at the end of the three-year assignment period, if the notification and assignment requirements specified in Section B.4. of this Chapter are met, the ARP is not required to collect a down payment from the risk at the time of assignment.

If the ARP verifies that the applicant or policyholder had been issued a notice of cancellation for non-payment during the preceding 24 months which resulted in the cancellation of the policy, for a new business policy, the ARP must collect a premium deposit of 80% of the calculated MAIP premium or 100% of the ARC's voluntary premium, if known.

An ARP is not required to collect any outstanding owed premium. However, since the applicant is required to satisfy any outstanding debt occurring within the previous 12-month period prior to being eligible for MAIP placement, an ARP may assist the applicant in satisfying this requirement by collecting the unpaid premium and forwarding it to the company to which it is owed.

The ARC may deduct from the premium deposit received any unpaid balance of premium earned within the preceding 12 months



that is owed to the ARC. If any outstanding balance is not paid within the permitted time period, the ARC is entitled to cancel the insurance.

c. Supplemental Documents

The ARP must print and attach to the original signed application all required supplemental forms and certificates as identified through the online MAIP Policy Application. These documents may include an anti-theft device certificate, an approved driver training certificate, an out-of-state driving record, pre-insurance inspection forms and a copy of the prior policy coverage selections page for operator(s) listed on the application, a copy of the voluntary premium quote or voluntary premium quote identification number as provided by the ARC, if applicable, or additional or supplemental information required by the ARC to accurately calculate policy premium.

d. Verification of Driver's License

The ARP must verify through the Registry of Motor Vehicle (RMV) Inquiry System, the driver's license for each listed operator who holds a Massachusetts driver's license. The ARP must submit a photocopy of the license of any operator holding an out-of-state or a foreign driver's license with the new business application.

8. Installment Plan

The ARP must assure that policyholders are aware of their option to utilize an installment payment plan for business written through MAIP. After the insured has paid the required new business or renewal deposit premium, the ARC will calculate the balance of the premium owed on the basis of the lower of the MAIP rates or the ARC's applicable voluntary rate. The insured must then pay the remaining premium balance over nine equal monthly installments. A flat fee per installment finance charge, as specified in Rule 28 – Application Process of CAR's Rules of Operation, will be charged until the balance is paid in full.

9. Length of Assignment Period

A MAIP risk is assigned to its designated ARC for a period of three consecutive years and will be automatically renewed each year by the

ARC unless the risk is able to obtain coverage in the voluntary market. At the expiration of the three-year assignment period, the designated ARC may offer to write the policy on a voluntary basis or may non-renew the policy. If the designated ARC intends to non-renew the policy at the end of the three-year assignment period, refer to Section B.4. of this Chapter.

**C. Commissions**

Commissions will be paid to ARPs no less frequently than monthly and will be paid within 15 calendar days after the close of the month in which the commission was credited to the producer’s account. Each payment will include a commission statement that contains the policy number, named insured, and amount of premium on which the commission has been calculated.

If the ARP has a private passenger automobile contractual relationship with the 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.

If the ARP does not have a private passenger automobile contractual relationship with the ARC receiving the assignment, the following MAIP commission schedule applies regardless of the rate, voluntary or MAIP, used to issue the policy. Merit rating codes are as defined in the Massachusetts Private Passenger Residual Market Automobile Insurance Manual.

<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 will be determined at the time a new business or renewal policy is issued.
2. If an endorsement is processed with an effective date the same as the policy effective date and which has an impact on the

commission percentage, the ARP's commission compensation will be adjusted.

3. A commission rate adjustment will not be processed for a mid-term policy endorsement.
4. Refer to the Motorcycle Rate pages in the Rate Section of the Massachusetts Private Passenger Residual Market Automobile Insurance Manual for the commission rate for Motorcycles.
5. For all other Miscellaneous Vehicle Types such as motor homes, low speed vehicles and campers, if merit rating status applies, use the MAIP commission schedule. If merit rating status is not applicable to the vehicle type, a commission rate of 11.7% applies.

If the ARP is not operating under the American Agency System, commission compensation will be the same as for those ARPs that are operating under the American Agency System, in accordance with Section C.2. of this Chapter.

To facilitate the commission process, the agency's designated Security Administrator must ensure that accurate agency tax identification information has been provided to CAR. For additional information, refer to Chapter II, Section A.1.d.(6) of this Manual.

## Massachusetts Automobile Insurance Plan

### Request for Reassignment of Assigned Risk Company

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I, \_\_\_\_\_, the undersigned, hereby request that my personal automobile insurance policy which is currently being written by \_\_\_\_\_ as an Assigned Risk Company (ARC) for the Massachusetts Automobile Insurance Plan be reassigned to another ARC. I request that reassignment be made for the following reason(s):

(Please select at least one of the following and attach supporting documentation for each selection made)

- 1) The applicant or policyholder has previously been involved as a plaintiff in litigation with the ARC;
- 2) The applicant or policyholder is currently involved as a plaintiff in litigation with the ARC;
- 3) The applicant or policyholder filed a Consumer Complaint with the Division of Insurance against the ARC prior to the MAIP assignment;
- 4) The applicant or policyholder filed a Consumer Complaint with the Attorney General against the ARC prior to the MAIP assignment;
- 5) The applicant or policyholder has invoked his/her rights under a consumer protection statute regarding his/her relationship with the ARC (ie. insured has previously issued a 93A Demand Letter) prior to the MAIP assignment.

\*\*\*Important. Please Note: The insured bears the burden of producing adequate documentation sufficient to support a change of ARC within 30 days of the assignment. Failure to comply with this requirement will result in a denial of the insured's request for reassignment. Adequate documentation shall include at a minimum, though is not limited to, production of one the following: for 1) through 4), a copy of the complaint filed, including the certificate of service, if any, or for 5) a copy of the demand letter and any offer of settlement or other reply from the ARC responsive to the insured's demand made pursuant to a consumer protection statute. Pursuant to Rule 26.B.3., of CAR's Rules of Operation, reassignment will be made on a random basis. The insured does not have the right to request a particular ARC; an applicant has the right merely to ask for another assignment by the MAIP pursuant to its standard procedures. Note also that the applicant cannot seek reassignment if an outstanding premium balance is due.\*\*\*

\_\_\_\_\_  
Signature of Insured - Do Not Print

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Apt. Number

\_\_\_\_\_  
City, State and Zip

\_\_\_\_\_  
Assignment Certification Number Received from MAIP

\_\_\_\_\_  
Date

**Return completed form and documentation to:**

**Commonwealth Automobile Reinsurers  
101 Arch Street, Suite 400  
Boston, MA 02110  
Attention: John Metcalfe  
Director – Residual Market Services**