

**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**