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Private Passenger Residual Market Rates July 1, 2025 Effective Date

Rate Implementation Notes

Below are notes relevant to implementing the July 1, 2025 effective date private passenger residual market rates using the Rating Factor tables posted on CAR's website.

- Base rates by coverage have been modified to reflect current loss experience. **The base rates have been revised since the original filing.**
- Rating territories are unchanged.
- All discounts remain unchanged.
- BI, Med Pay, U-1 and U-2 increased limit factors have been updated, PDL increased limit factors stay unchanged.
- The increased limit factors include additional factors to reflect the increase to the statutory basic limits as well as special instructions to provide guidance in calculating the minimum and increased limits.
- Deductible relativities are unchanged.
- Model year/VRG relativities are revised only to shift the model years of the current relativity tables by one year and now include 2026.
- The VRG Assignment by Price Table is unchanged.
- The Stated Amount Divisor Table is unchanged.
- The Stated Amount Rates have been updated.
- Towing and Labor and Substitute Transportation are unchanged for all vehicles.
- The commission schedule for assigned risk business is unchanged.
- The motorcycle rates have been updated, including the base rates, increased limit factors, physical damage deductibles, and age rate factors for collision and comprehensive. The approved motorcycle training site list has been updated.

SPECIAL RATING INSTRUCTIONS

The Massachusetts compulsory limits of insurance have been increased for policies issued or renewed on or after July 1, 2025. This change also impacts the **mandatory offer** limits.

Coverage	Policies Issued Prior to July 1, 2025			Policies Issued On or After July 1, 2025	
	Compulsory Limit	Mandatory Offer		Compulsory Limit	Mandatory Offer
Part 1 – Bodily Injury	20/40	NA		25/50	NA
Part 3 – Uninsured Motorists	20/40	35/80		25/50	40/90
Part 4 – Property Damage Liability	\$5,000	NA		\$30,000	NA
Part 5 – Optional Bodily Injury	20/40 (Optional)	35/80			40/90
Part 12 – Underinsured Motorists	20/40 (Optional)	35/80			40/90

Mandatory Offer - Massachusetts General Law c. 175, section 113C, provides the specifications for what are commonly referred to as the “mandatory offer limits” in Massachusetts.

Special Rating Instructions for Policies Issued or Renewing On or After July 1, 2025

The rates and rating factors in the schedule 107 and rate manual can be used to determine rates at the new minimum compulsory limits as follows:

Part 1 (25/50 Compulsory Rate) = Part 1 (20/40 Base Rate) x (25/50 Bodily Injury Increased Limits Factor)

Part 3 (25/50 Compulsory Rate) = Refer to Part 3 Rates by Limit (Rate Manual Pages R-2 to R-34)

Part 4 (\$30,000 Compulsory Rate) = Part 4 (\$5,000 Base Rate) x (\$30,000 Property Damage Liability Increased Limits Factor)

Part 5 (25/50 Rate) = Part 5 (20/40 Base Rate) x (25/50 Bodily Injury Increased Limits Factor)

Part 12 (25/50 Rate) = Refer to Part 12 Rates by Limit (Rate Manual Pages R-2 to R-34)

In this instance, use caution that your rate programming for the Part 1 compulsory rate at the new 25/50 base limit is not treated as the usual calculation of the charge for Bodily Injury coverage at limits above the compulsory limit. Be sure to use the Part 1 formula above.

The increased limits formula below should be used to calculate the Part 5 premium above the 25/50 compulsory limit:

Charge for Part 5 - Optional Bodily Injury at limits above the compulsory limits is calculated as follows:

$$= [(Part\ 1\ Base\ Rate_{(20/40)} + Part\ 5\ Base\ Rate_{(20/40)}) \times (Increased\ Limits\ Factor)] - [Part\ 1\ Compulsory\ Rate_{(25/50)}]$$