

COMMONWEALTH AUTOMOBILE REINSURERS
COMMERCIAL AUTOMOBILE INSURANCE MANUAL

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:

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

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To increase the coverage limits of 20/40/5 to 25/50/30, use the ILFs for Trucks, Tractors, and Trailers, Private Passenger Types, Van Pools, Buses for the following:

- Drive Other Car
- Non-Ownership Liability
- Hired Autos
- Mobile Equipment

Please note that while references to the Compulsory Coverages or related minimum premium amounts within certain rules have been updated to reflect the new minimum limits, other rules that provide rating instructions with references to rating pages have not been updated as the rating pages are not being updated at this time. Rules not being updated at this time include:

- Section II – Rule 22 – Out of State Garaging
- Section III - Rule 54 – Premium Development – Zone Rated Automobiles
- Section III - Rule 55 – Premium Development Options for Truckers (Zone Rated Bobtails)
- Section IV - Rule 63 – Premium Development
- Section V – Rule 74 – Premium Development – Zone Rated Automobiles
- Section VI – Rule 88 – Premium Development – Liability (including Rating Procedures on Page R-142 and R-143)

The Experience Rating Plan is also not being updated at this time.