Massachusetts Automobile Insurance Manual
Private Passenger – Residual Market
Policies Effective April 1, 2009 and Later
<u>**Memorandum of Changes**</u>

Rules 2 and 3 – Coverage Availability and Limits

The coverages and limits available for assigned risk policies are consistent with those defined in Rule 27 of the CAR Rules of Operation.

Rule 4 – Standard Procedures

Non-renewal and cancellation requirements are modified in accordance with CAR Rules of Operation, which provide that an eligible risk shall be insured by a designated Assigned Risk Carrier for a period of three consecutive years. In addition reference to book of business transfers is eliminated.

Rule 7 – Policy Period

Identifies that policies issued by assignment through MAIP shall be for 12 month terms.

Rules 13 and 14 – Installment Plans and Deposit Premium Rule

Requirements are modified in accordance with CAR Rules of Operation.

Rule 18 – Termination of Insurance

Return premium shall be computed on a pro rata basis for policies cancelled at the request of the insured because coverage has been replaced in the voluntary market, provided the ARC receives written confirmation of the replacement coverage.

Rule 19 – Discounts

The passive restraint discount is eliminated.

Rule 28 – Private Passenger Classifications

Insurers must be consistent in their practices relative to deferred operators on residual market and voluntary policies.

Rules 32, 33, 34, and 39 – Miscellaneous Classifications

Reference is added relative to the comparison of the residual market premium to the assigned insurer's voluntary premium.

Rule 40 – Antique Motor Cars and Antique Motorcycles

The Rule is eliminated, as antiques are not eligible for assignment.

Rule 48 – Original Equipment Manufacturer Parts Coverage

OEM coverage is eliminated.

Rule 54 – Anti-Theft Discount

The list of anti-theft devices qualifying for the various categories of discount is updated.

Rule 56 – Merit Rating Plan
Merit rating adjustments are applicable to coverage B, allowing for the elimination of the implicit surcharge factor application.