

Commercial Claim Performance Standards – May 31, 2016

General Modifications

The Performance Standards and Appendices are restructured to create consistency with other CAR manuals such as the Plan and Rules of Operation and the various procedures manuals. To ensure that the review process is not overly cumbersome, only substantive modifications are identified in the so-called “redlined” formatting. Non-substantive changes which are not identified in the “redlined” formatting include but may not be limited to:

- References to Massachusetts laws are standardized.
- References to any specific Appendix in the Performance Standards are standardized and added where appropriate.
- References to any specific Performance Standards in the Appendices are standardized and added where appropriate.
 - References to “vehicle”, “automobile” and “auto” are updated to “motor vehicle” where appropriate (CAR material only).
- Recurring references to organizations or other common terms are adjusted to use acronyms where appropriate.
- Headings are added, as necessary, to provide organization and clarity within the outline format.
- Wording is added or modified in some instances, as necessary, to clarify existing language but not to change meaning or intent.

Modifications:

Table of Contents

- This section is removed from the Introduction and renamed as the Table of Contents.

Introduction

- Introductory language referencing audit cycles and material further detailed in several appendices is removed. Also, the language is rewritten to be consistent with changes to the Commercial Introduction, to define the purpose and scope of the Performance Standards, and to describe the organization of the manual.

Standard I

- Language excluding Servicing Carriers from the Direct Payment Plan requirement is removed pursuant to the current rewritten CAR Rule 30.A.4.g. that eliminates the less than 1% exclusion.

Standard II

- No substantive changes are made that are not considered in the General Modifications comments above.

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Standard III

- No substantive changes are made that are not considered in the General Modifications comments above.

Standard IV

- No substantive changes are made that are not considered in the General Modifications comments above.

Standard V

- No substantive changes are made that are not considered in the General Modifications comments above.

Measurements and Penalties

- Language is adjusted in the Non Compliance Penalties section that amends the notification process for any result disagreements between CAR and the Servicing Carrier based on recent changes to Rule 20.

Appendix A – CAR Special Investigative Standards

- No substantive changes are made that are not considered in the General Modifications comments above.

Appendix B – 211 CMR 123.00

- The 211 CMR 123.00 document is downloaded from the DOI website and inserted as an exhibit.

Appendix C – Direct Payment Plan

- The MARB Direct Payment Plan including the Decision and Order of Approval was obtained from the AIB and inserted as an exhibit.

Appendix D – DOI Decision and Order re: Direct Payment Plan

- Appendix D contained the 1989 DOI Decision and Order related to the modification of Rule 13 requiring a Direct Payment Plan for those Servicing Carriers with <1% market share. The reference material is outdated and the Appendix is deleted.

Appendix E – 212 CMR 2.04

- Appendix E is re lettered to Appendix D as a result of the elimination of Appendix D.
- The regulation is changed from 212 CMR 2.00 to 212 CMR 2.04 because only section 2.04 is referenced in this appendix.
- The 212 CMR 2.04 document is downloaded from the DOI website and inserted as an exhibit.

Appendix F – 211 CMR 133.00

- Appendix F is re lettered to Appendix E as a result of the elimination of Appendix D.

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- The 211 CMR 133.00 document is downloaded from the DOI website and inserted as an exhibit.

Appendix G – 211 CMR 94.00

- Appendix G is re lettered to Appendix F as a result of the elimination of Appendix D.
- The 211 CMR 94.00 document is downloaded from the DOI website and inserted as an exhibit.

Appendix H – Chapter 90D, Section 20

- Appendix H is re lettered to Appendix G as a result of the elimination of Appendix D.
- The G.L.c.90D, §20 document is downloaded from the DOI website and inserted as an exhibit.

Appendix I – Chapter 175, Section 24D

- Appendix I is re lettered to Appendix H as a result of the elimination of Appendix D.
- The G.L.c.175D, §24D document is downloaded from the DOI website and inserted as an exhibit.

Appendix J – CAR Compliance Audit Claim Review Process

- Appendix J is re lettered to Appendix I as a result of the elimination of Appendix D.
- Retitled to Compliance Audit Claim Questionnaire (explanation to follow in Appendix L).

Appendix K – CAR SIU File Review Process

- Appendix K is re lettered to Appendix J as a result of the elimination of Appendix D.

Appendix L – Compliance Audit Claim Questionnaire

- Appendix L is re lettered to Appendix K as a result of the elimination of Appendix D.
- The appendix title is changed to the Compliance Audit Claim Questionnaire.
- The re-written Compliance Audit Claim Questionnaire is inserted as an exhibit.

Appendix M – Industry Best Practices – Performance Standards

- Appendix M is re lettered to Appendix L as a result of the elimination of Appendix D.

Appendix N – NAIC Standards

- Appendix N is re lettered to Appendix M as a result of the elimination of Appendix D.

Memorandum of Changes

Appendix O – Division of Insurance, Bulletin 2008-12

- Appendix O is re lettered to Appendix N as a result of the elimination of Appendix D.
- The clarifying Bulletin issued by the DOI on September 16, 2008 was inserted as an exhibit.