

**Private Passenger Claim Performance Standards – February 12, 2026**  
**Memorandum of Changes**

**General Modifications**

The Performance Standards for The Handling and Payment of Claims (the Standards), including its appendices, are reviewed every two years in accordance with Massachusetts G.L. c. 175 §113H. The ‘redlined’ formatting is used to identify only proposed modifications to the Standards.

**Modifications to the Private Passenger Standards:**

**Standard V: Expenses**

- Staff is proposing adding a reference to the Assigned Risk Company Procedures Manual – Chapter XI - Compliance Audit into Standard V: Expenses. The manual was recently updated to strengthen the language pertaining to the required access of source documentation for validation of each loss amount and expense payment transaction.
  - The language referencing validation of paid losses and expenses would be consistent with the Assigned Risk Company Procedures Manual, the Statistical Plan, and the Claims Performance Standards.

**Appendix A: CAR Special Investigative Unit Standards**

- Staff proposes updating the reference to the private passenger audit frequency in Appendix A of the Performance Standards from once every three years to once every five years.
  - This change previously occurred to address the increase in the number of companies writing private passenger business since the onset of competitive rates and the MAIP, and the increased need to conduct focus audits of companies with statistical reporting issues and quota share audits of new entrants as required in the ARC Procedures Manual.

**Appendix K: Compliance Audit Claim Questionnaire:**

- Staff suggests including additional SIU-related questions to the Compliance Audit Questionnaire that allows for further information that enhances the description of the SIU included in all audited reports. Appendix K is distributed with the audit notice prior to the to the Hybrid Audit scheduled start date.
  - Staff proposes additional questions to Appendix K pertaining to current SIU requirements for CAR Rule 32.C.2.