



NATALIE A. HUBLEY  
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110

[www.commauto.com](http://www.commauto.com)

617-338-4000

## RECORDS OF MEETING

### CLAIMS SUBCOMMITTEE – NOVEMBER 30, 2022

#### Members Present

Mr. David Deluca – Chair  
Mr. Daniel Clough  
Mr. Nathan Joyner  
Ms. Heidi Mussler  
Mr. Paul Narciso  
Ms. Mary Singas  
Mr. Doug Sprous

Vermont Mutual Insurance Company  
Arbella Insurance Group  
Amica Mutual Insurance Company  
Quincy Mutual Group  
Safety Insurance Company  
MAPFRE U.S.A. Corporation  
Plymouth Rock Assurance Corporation

Substituted for:  
N/A

Not in Attendance:  
Ms. Ida Denard Jones, Denard Insurance Agency, Inc.

#### 22.01 Records of Previous Meeting

On a roll call vote, the Subcommittee unanimously voted to approve the Records of the Claims Subcommittee of January 26, 2022. The Records have been distributed and are on file.

#### 22.05 Claims Performance Standards

The Claims Subcommittee met to assist the Compliance and Operations Committee with its biennial review of proposed modifications to the Private Passenger and Commercial Claims Performance Standards (the Standards) as required by G.L.c.175, §113H. Specifically, the Subcommittee reviews modifications to the Standards biennially as proposed by Subcommittee members or CAR staff and provides a recommendation to the Compliance and Operations Committee.

Mr. Mark Alves and Mr. Peter Bertoni provided an overview of modifications to the Standards proposed by CAR staff. Mr. Alves explained that staff suggested five changes to each of the Private Passenger and Commercial Standards. Of the five changes, four were consistent for both private passenger and commercial. Beginning with the four consistent changes, a description of each was provided to the Subcommittee.

The first suggested change pertained to Standard II: Bodily Injury & Uninsured/Underinsured Motorist. Standard II references the requirement that insurers check policy information and accident history while reporting to the Central Index Bureau (CIB) to determine if possible red flags exist as part of the initial screening process of accident reports. However, the CIB was sold to a vendor and no longer exists. CAR staff proposed eliminating the language that references the CIB and replacing it with language that does not name a specific vendor or database. Mr. Bertoni noted that the Standards do not typically identify a specific vendor and leaving the requirement without naming an alternative database would be appropriate. After discussion of the proposed language, the Subcommittee adjusted the reference to “the industry claim database” to “an industry claim database”.

Next, a proposed change to Standard III: No-Fault Personal Injury Protection (PIP) Benefits Handling in the Claim Payment sections of the Standards was discussed. Mr. Bertoni described the change as an opportunity to strengthen the requirement to coordinate benefits between the auto policy and health plans in Standard III by specifically referencing the requirements detailed in Appendix N. Appendix N is the Division of Insurance Bulletin 2017-06 describing proper coordination of PIP and MedPay claims with health plans. Staff proposed adding the requirement that all claim payments be made in accordance with the DOI Bulletin 2017-06 (Appendix N) under the Evaluation and Settlement section of Standard III. Subcommittee member Ms. Heidi Mussler suggested it would also be beneficial to reference Appendix N in the Claim Payment section that specifically references the coordination of benefits. After discussion, the Subcommittee agreed that references in both sections were appropriate.

Staff then discussed proposed changes to Appendix H: Chapter 175, Section 24D, noting Chapter 175 was amended in 2003 by adding Section 24E. Section 24E assigned additional responsibility on insurers to check with the Division of Medical Assistance and the Department of Transitional Assistance for liens prior to issuing 3<sup>rd</sup> party settlement payments.

The final proposed change applicable to both the Private Passenger and Commercial Standards was for Appendix M: NAIC Standards. Staff explained that the current NAIC Standards included in the Market Regulation Handbook were amended from 14 to 11 standards. Staff discussed the proposed modifications to Appendix M to reflect the current NAIC Standards, and to update applicable references to the Performance Standards or Rules of Operation where necessary.

Staff then addressed Appendix J: CAR SIU File Review Process – MAIP Policies of the Private Passenger Standards. Mr. Bertoni began by noting that CAR updated the frequency of the Hybrid Audit for all Assigned Risk Companies (ARCs) writing private passenger business from once every three years to once every five years. He stated that this change occurred in consideration of the increase in the number of ARCs eligible for audit since implementation of the Hybrid Audit, and the growth of focus and quota share audits of new entrants as required by updates to the ARC Procedures Manual. Staff also discussed recent efforts to improve the quality and standardization of the industry SIU data. Similar to recent reviews of the Standards, staff proposed required use of a CAR-developed template for reporting CAR Rule 32.C.2. SIU completed audits of garaging and policy facts to CAR.

The final modifications discussed pertained to Appendix J: CAR SIU File Review Process of the Commercial Standards. Staff noted the deletion of the word “approximately” in section B, stating that the sample size is established as 25 SIU referrals in the Standards. Consistent with Appendix J in the Private Passenger Standards, staff also proposed the required use of the same template for reporting CAR Rule 10.C.2. SIU completed audits of garaging and policy facts to CAR.

**On a roll call vote, the Subcommittee voted unanimously to recommend to the Compliance and Operations Committee approval of the amendments to the Private Passenger and Commercial Standards as proposed by CAR staff, with the additional language to Standard I and Standard II as proposed by the Subcommittee.**

MARK ALVES  
Director – Compliance Audit

Boston, Massachusetts  
December 9, 2022

**ATTACHMENT LISTING**

Docket #CLMS22.02, Exhibit #2

Attendance Listing

**CLAIMS SUBCOMMITTEE MEETING  
MEETING ATTENDEES  
NOVEMBER 30, 2022**

Individual's Name

Company / Agency

PLEASE PRINT

David DeLuca	Vermont Mutual Insurance Company
Daniel Clough	Arbella Insurance Group
Nathan Joyner	Amica Mutual Insurance Company
Heidi Mussler	Quincy Mutual Group
Paul Narciso	Safety Insurance Company
Mary Singas	MAPFRE U.S.A. Corporation
Doug Sprous	Plymouth Rock Assurance Corporation
Mary Ellen Thompson	Division of Insurance
Mark Alves	CAR Staff
Peter Bertoni	CAR Staff
Wendy Browne	CAR Staff
Matthew Hirsh	CAR Staff
Virginia Plasse	CAR Staff
Alison Ruggiero	CAR Staff
Robin Tigges	CAR Staff