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NOTICE OF MEETING

MAIP STEERING COMMITTEE

A meeting of the MAIP Steering Committee will be held virtually via Zoom video conferencing software, on

TUESDAY, JUNE 28, 2022, AT 10:00 A.M.

If you plan to attend this meeting and are not a member of this Committee, please RSVP by completing the Visitor Security Form located in the Contact Us/Visitor Information section of CAR's website. CAR will then forward to you, via email, meeting access information. Please do not share access information provided by CAR but refer others wishing to attend the meeting to CAR's Visitor Security Form.

MEMBERS OF THE COMMITTEE

Mr. Barry Tagen – Chair
Pilgrim Insurance Company

Mr. Allen Chaves
Ms. Sarah Clemens
Ms. Ida Denard Jones
Ms. Sheila Doherty
Ms. Jean Downey
Mr. Shaun Farley
Mr. Robert Jackson
Ms. Mary McConnell
Mr. Henry Risman
Mr. Christopher Taylor
Mr. Mark Winiker

Arbella Insurance Group
MAPFRE U.S.A. Corporation
Denard Insurance Agency, Inc.
Doherty Insurance Agency, Inc.
Norfolk and Dedham Group
Vermont Mutual Insurance Group
GEICO
Safety Insurance Company
Risman Insurance Agency, Inc.
The Hanover Insurance Company
A-Affordable Insurance Agency, Inc.

AGENDA

MSC

19.01 Records of Previous Meeting

The Records of the MAIP Steering Committee meeting of September 12, 2019 should be read and approved.

Other Business

To transact any other business that may properly come before this Committee.

Executive Session

The MAIP Steering Committee may convene in Executive Session in accordance with the provisions of G.L. c. 30A, § 21.

ADRIANNE DONOVAN
Residual Market Services Liaison

Attachments

Boston, Massachusetts
June 14, 2022

June 14, 2022

Assigned Risk Producer Procedures Manual Updates

Memorandum of Changes

The following modifications are proposed to Chapter III – Eligibility Requirements and Chapter IV – Application and Policy Assignment Process:

Chapter III – Eligibility Requirements

- Section A – language addressing applicants with foreign licenses has been amended to conform with the Massachusetts Registry of Motor Vehicle licensing documentation.

Chapter IV – Application and Policy Assignment Process

- Section A.2b – language has been added to reflect enhancements to the MAIP Policy Application regarding RMV prefill information involving an applicant's licensing and vehicle details.

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All private passenger motor vehicle insurance business must either be written voluntarily by a company or be declined and referred for placement through the MAIP, subject to the non-eligibility requirements described in Section B. of this Chapter.

Additional eligibility details are described in Rule 26 – Policyholder Rights and Responsibilities of CAR’s Rules of Operation.

A. Applicants Eligible for MAIP Coverage

Coverage through MAIP is available to residents and non-residents of the Commonwealth of Massachusetts. The motor vehicle to be insured must already be registered or will be registered in the Commonwealth of Massachusetts within 15 days. Note, however, that the motor vehicle of a non-resident member of the United States military forces may be registered in another state provided that such military non-resident is stationed in the Commonwealth of Massachusetts at the time of application and is otherwise eligible for insurance.

An applicant must first attempt to obtain motor vehicle insurance in the voluntary market. If the applicant is unable to secure a voluntary insurance policy, the applicant is eligible for placement through MAIP. An application submitted to CAR through the MAIP Policy Application and signed by the applicant may be considered certification that the applicant has attempted to obtain motor vehicle insurance in the voluntary market.

An application for MAIP placement shall be considered in good faith as long as the applicant reports all information of a material nature, does not make incorrect or misleading statements and is otherwise eligible for motor vehicle insurance and for MAIP placement.

An applicant with a valid foreign driver’s license from any country is eligible for MAIP placement. ~~If the foreign driver’s license is not written in English or does not contain an English translation, the license holder must obtain and carry either a valid International Driving Permit or an acceptable alternative translation document. A validly issued International Driving Permit may serve as a translation of an applicant’s foreign driver’s license into the major languages recognized by the United Nations. The applicant is able to drive in Massachusetts on a foreign license for up to one year and after that must obtain a Massachusetts license. Failure to obtain a Massachusetts license within the required timeframe will result in the inability to legally drive in the Commonwealth of Massachusetts. As a result, the individual will be~~

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~~considered ineligible for Massachusetts motor vehicle insurance coverage.~~ Specific information relative to driving privileges for foreign licensed drivers is available on the Massachusetts Registry of Motor Vehicles website (www.mass.gov/rmv).

B. Applicants Not Eligible for MAIP Coverage

1. An Assigned Risk Company (ARC) is required to offer or continue to offer motor vehicle insurance to an applicant or insured except under the following circumstances:
 - a. if any person who usually drives the motor vehicle does not hold, is not eligible to obtain or fails to obtain a driver's license as required by law,
 - b. if the applicant or any person who usually drives the motor vehicle has failed to pay a company any premium due during the preceding 12 months, and/or
 - c. if the applicant has failed to make the motor vehicle(s) available for inspection pursuant to 211 CMR 94. In this circumstance, the applicant will not be entitled to physical damage insurance in accordance with Rule 27 – Coverages of CAR's Rules of Operation and no ARC will be required to offer or continue to offer physical damage coverage to the applicant.
2. An applicant that is otherwise eligible for insurance coverage is not eligible for placement through the MAIP if the applicant is one of two or more entities, in each of which the same person or group of persons or corporations owns a majority interest. None of such entities will be eligible for insurance through the MAIP if any of the entities have failed to meet its premium obligations as noted in Section B.1.b.

C. Motor Vehicles Eligible for MAIP Assignment

Any motor vehicle that may be insured under the standard Massachusetts Private Passenger Automobile Insurance Policy and that meets the private passenger definition in the Massachusetts Private

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A. Application Submission and Data Verification

1. Hours of Operation and Availability of the MAIP Policy Application System

To obtain private passenger motor vehicle insurance coverage through MAIP for an eligible risk, an Assigned Risk Producer (ARP) must electronically submit an application to CAR via the online MAIP Policy Application. The Producer area of CAR's website, including access to the MAIP Policy Application, is available Monday through Saturday from 7:00 a.m. to 7:00 p.m. Questions relating to the MAIP Policy Application or policy assignment process may be directed to CAR staff via the CAR Help Line at (617) 338-4000 or by email at maipsupport@commauto.com. The CAR Help Line is available Monday through Friday from 8:30 a.m. to 4:30 p.m.

2. Submission of Policy Information

Application data may be submitted either through the upload of policy information from the producer's agency management software or through the direct entry of data into the MAIP Policy Application. The MAIP Policy Application requires the entry of applicant, vehicle, driver and coverage information into several data screens.

a. Verification of Policy Data for Accuracy and Completeness

It is the responsibility of the ARP to assure that the information reported on the application is accurate and complete and that Uninsured Motorist System (UMS) and merit rating data and any other available information is accessed in order to verify the driving history of the applicant. As the ARP enters application data into the MAIP Policy Application, the online system will verify the reported information for compliance with field requirements. If the application information is incomplete or invalid, the MAIP system will not allow submission of the application for assignment to an Assigned Risk Company (ARC) until all required fields are complete and validated.

b. Registry of Motor Vehicles (RMV) and Vehicle Identification Information Number (VIN) Look-Ups

When logging onto the MAIP Policy Application, ARPs will initially view an Application Pre-Fill screen. If Massachusetts is

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selected as the applicant's licensed state the screen will require the ARP to enter the applicant's license number and the vehicle VIN(s). If a state or jurisdiction other than Massachusetts is selected, the ~~This~~ screen requires that the ARP enter applicant name(s) and vehicle VIN(s).

For those applicants with a Massachusetts license, aA look-up will occur and the licensee's name, address, date first licensed, date first licensed – motorcycle (if applicable), date of birth, and merit rating will be returned and pre-filled on the Vehicle Page. In addition, any owed premium will be returned and reflected in the Coverage and Remarks sections of the application.

The ARP may update the insured's address and date first licensed; however, the data in all other pre-filled fields may not be changed. The Remarks section should be used to indicate changes in the information of these fields.

Entering of the VIN(s) will generate a look-up and return the year, make, model, collision and comprehensive Vehicle Rating Group (VRG), high theft and passive restraint fields for most vehicle types. Valid information will be ~~will be returned and then~~ pre-filled~~ed~~ on the Vehicle Page. A VIN look-up is required for each vehicle in order for a policy assignment to be made. If the VIN entered for look-up is determined to be invalid, vehicle data may be added manually or edited as necessary via the Vehicle Page; however, VRG codes, which will initially default to a code 24, may only be adjusted upwards.

Only limited look-up information is available for motorcycles, trailers and recreational vehicles such as motor homes. The information that is unavailable for these vehicle types may be entered manually by the ARP. Note that a motorcycle, trailer or recreational vehicle may be written on the same policy as a private passenger automobile.

c. Denial of Physical Damage Insurance Coverage in MAIP Under Certain Circumstances

Under certain circumstances, an ARC must charge the insured the extra risk rate or in the alternative may refuse to issue collision, fire, theft or comprehensive coverage. For example, an ARC may refuse to issue physical damage insurance coverage on a vehicle

June 14, 2022

Private Passenger Residual Market Automobile Insurance Manual Updates

Memorandum of Changes

The following modifications are proposed to Section II – Private Passenger Automobiles – Rule 27 Private Passenger Definition:

- Section B – the definition of the vehicle type has been expanded to include SUV
- Section B.1 – in conjunction with changes to 540 CRM plate definition to indicate that a pick-up truck or cargo van weighing less than 16,000 pounds can now have a private passenger plate, the gross vehicle weight has been updated from 10,000 pounds to 16,000 to maintain consistency with Registry procedures.
- Section B.2 – in conjunction with changes to 540 CRM plate definition, language requiring that the vehicle be “used solely for personal use” has been added to maintain consistency with Registry procedures.

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SECTION II - PRIVATE PASSENGER AUTOMOBILES

RULE 27. PRIVATE PASSENGER DEFINITION

- A. A motor vehicle of the private passenger or station wagon type that is owned or leased under contract for a continuous period of at least twelve months by one or more individuals, excluding (1) partnerships, (2) corporations, (3) unincorporated business associations, and (4) other legal business entities with a federal employer identification number, and is not used as a public or livery conveyance nor rented to others. A vehicle which meets the conditions of Rule 31, regarding the transportation of fellow employees, students or others for consideration, is included in this definition, provided such vehicle is not registered for carrying passengers for hire.
- B. A motor vehicle that is a pick-up, ~~or~~ van, or SUV that is owned or leased under contract for a continuous period of at least 12 months by one or more individuals, excluding (1) partnerships, (2) corporations, (3) unincorporated business associations, and (4) other legal business entities with a federal employer identification number, and
1. has a gross vehicle weight rating of less than ~~40,000~~ 16,000 pounds or has a vehicle rating group assigned to it by the Automobile Insurers Bureau of MA (AIB), and
 2. is used solely for personal use and is not used for the delivery or transportation of goods or materials unless such use is incidental to the insured's business of installing, maintaining or repairing furnishings or equipment.
- C. Gross Vehicle Weight Rating means the value specified by the manufacturer as the loaded weight of a single vehicle.
- D. An eligible vehicle under this rule whose title has been transferred to a trust may be insured under a policy issued by assignment through the MAIP, subject to the following requirements: the grantor of the trust must be an individual or lawfully married individuals residing in the same household, and must be the only insured(s) named in Item 1 of the Coverage Selections Page. All vehicle(s) insured under the policy must be owned by the trust. A vehicle owned by a trust in which the grantor is a partnership or corporation must be written under a commercial auto policy.

If a motor vehicle is leased as described in the foregoing paragraphs, and the lessee is obtaining the insurance, the policy must be issued to the lessee as named insured and Endorsement M-0070-S, "Coverage For Anyone Renting An Auto To You," must be attached to the policy.

RULE 28. PRIVATE PASSENGER CLASSIFICATIONS

A. Operator Classes

- 10 Experienced Operator.** The operator has been licensed at least six years and is under the age of 65 and the automobile is not used in the occupation, profession or business of the insured.
- 15 Experienced Operator - age sixty-five or more.** The operator has been licensed at least six years and is sixty-five years of age or more and the automobile is not used in the occupation, profession or business of the insured.
- 17 Inexperienced Principal Operator - licensed three or more years.** The operator of the automobile has been licensed at least three years and less than six years and is the principal operator of the automobile.
- 18 Inexperienced Occasional Operator - licensed three or more years.** The operator has been licensed at least three years and less than six years and is not the principal operator of the automobile.
- 20 Inexperienced Principal Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 21 Inexperienced Occasional Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is not the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.

Private Passenger Residual Market Automobile Insurance Manual Updates

Limited Use Vehicles

Memorandum of Changes

Commonwealth Automobile Reinsurers is proposing Manual Rule and Rates for Limited Use Vehicles.

Limited Use Vehicles are a class of vehicles defined by the Massachusetts Registry of Motor Vehicles as eligible for registration and operation on Massachusetts public roads making these vehicles eligible for placement in MAIP.

Accordingly, the following amendments to the Private Passenger Automobile Residual Market Manual relative to Limited Use Vehicles are proposed:

Rule Section

Rule 43 – Low Speed Vehicles/Limited Use Vehicles

This rule has been amended to add Limited Use Vehicles (4 wheels). Rule 43 (B) provides the definition of Limited Use Vehicle with 4-wheels. The Rating procedures were modified to include limited use vehicles.

Rule 44 – Motorcycle, Motorscooters, Mopeds, Limited Use Motorcycles and Similar Motor Vehicles

This rule has been modified to include Limited Use Motorcycles. Verbiage was added to clarify how to determine the operator experience for instances when a motorcycle license or permit is not required.

Rate Section

The Miscellaneous Motor Vehicles rate page (RS-2) in the Rate Section of the Manual has been amended to include Limited Use Vehicles with Low Speed Vehicles for determining rating methods and factors as defined in Rule 43 of the Manual.

RULE 43. LOW SPEED VEHICLES/LIMITED USE VEHICLES

A. Low Speed Vehicles

The term “low speed vehicle” shall include any 4-wheel motor vehicle that has a seventeen digit Vehicle Identification Number (VIN), has been issued a Certificate of Origin, has a gross vehicle weight rating (GVWR) of less than 3000 pounds, and has a top speed greater than 20 mph but not greater than 25 mph. The motor vehicle must be National Highway Traffic Safety Administration (NHTSA) certified as a “Low Speed Vehicle” demonstrated by the Certificate of Origin listing the body style as “LSV” or “Low Speed Vehicle” or by the Manufacturer’s Certification Label posted on the vehicle containing the VIN and indicating the Type of Vehicle as “LSV” or “Low Speed Vehicle.”

B. Limited Use Vehicles

The term “limited use vehicle” shall include any 4-wheel motor vehicle that has a seventeen digit Vehicle Identification Number (VIN), has been issued a Certificate of Origin, and whose speed can exceed 30 mph but not capable of more than 40 mph. The motor vehicle must be certified by the manufacturer to meet Federal Motor Vehicle Safety Standards (FMVSS) for that particular class of vehicle.

Rates for low speed vehicles and limited use vehicles are based on the class 10 rate times a factor. Refer to the Miscellaneous Motor Vehicles section for rating methods and factors. Refer to Rule 22 to determine the vehicle rating group. Annual mileage, multi-car, continuous coverage, low frequency, and class 15 discounts apply.

The merit rating status shall be determined as follows:

1. The merit rating status of operators shall be assigned to low speed or limited use vehicles in order of the highest merit rating status, after assignment to other private passenger vehicles on the policy.
2. If only one operator is listed on the policy, the merit rating status assigned to the low speed or limited use vehicle will reflect the merit rating status of the operator.
3. If the merit rating status of each listed operator has been used in rating an automobile on the policy, any remaining low speed or limited use vehicles shall be assigned the lowest merit rating status of the listed operators.

The merit rating adjustment shall be determined using the merit rating factor defined in Rule 56 applicable to Class 10 operators.

RULE 44. MOTORCYCLES, MOTORSCOOTERS, MOPEDS, LIMITED USE MOTORCYCLES AND SIMILAR MOTOR VEHICLES

Experienced or inexperienced operator classifications apply to coverage parts 1, 2, 4, 5, 7 and 8. The experienced operator classification is applied when the operator of the motorcycle has been licensed to operate a motorcycle for at least six years. The inexperienced operator class is applied when the operator of the motorcycle has been licensed to operate a motorcycle for less than six years, or holds a motorcycle permit. If the 2 wheel vehicle does not require a motorcycle license or permit (such as a moped), use the operator’s class D license to determine the experience. When an inexperienced operator classification is applied to a motorcycle, the rates for parts 1, 2, 4, 5, 7 and 8 must be multiplied by a factor of 1.50. The merit rating assigned to an operator on a private passenger automobile insurance policy, if available, shall also be applied to the motorcycle policy. Operators assigned to motorcycles will also be considered for assignment to automobiles listed on the policy in accordance with Rule 28.

If there is more than one operator on a policy, the operators shall be assigned to the motorcycles in the order which produces the highest Combined Premium. The Combined Premium is the sum of the premium for Parts 1, 2, 4, 5, 7, 8 and 9 for the operator’s classification, including the 25% discount for operators age 65 and over, and the operator’s merit rating adjustment. Any motorcycles remaining after assignment of all operators shall be assigned the classification and merit rating adjustment producing the lowest Combined Premium for the listed operators. If an inexperienced operator is the only listed operator of the motorcycle on the policy, all motorcycles shall be assigned an inexperienced operator classification.

Personal Injury Protection coverage for any operator or occupant of a motorcycle is excluded under the policy. The Personal Injury Protection premium in the rate pages must be charged for all motorcycles subject to the Compulsory Law. If Optional Bodily Injury to Others (Part 5) is purchased with guest occupants excluded, Endorsement M-0002-S titled “Guest Occupants Exclusion” must be issued with the policy.

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Miscellaneous Motor Vehicles

	LIABILITY	PHYSICAL DAMAGE
Trailers (Rule 34)	No Charge	Parts 7, 8 and 9 50% Latest Model Year shown in Rate Pages, Territory 1, Class 10 VRG based on Base List Price
Motor Homes (Rule 39)	Manual Rates	Parts 7 and 8 – 50% Part 9 – Manual Rate
Low Speed Vehicles/Limited Use Vehicles (Rule 43)	Parts 1,4, and 5: 50% of Class 10 Parts 2,3,6, and 12: 100% of Class 10 Annual mileage, multi-car, continuous coverage, low frequency, class 15 discounts apply (Rule 19)	Parts 7 and 8: 75% of Class 10 Part 9: 50% of Class 10 Annual mileage, multi-car, class 15 discounts apply (Rule 19) VRG based on Base List Price (Rule 22)
Specialty and Classic Cars (Rule 42)	Parts 1,2,4, and 5: 25% of Class 10 Parts 3, 6, and 12: Manual Rates	Parts 7,8, and 9: 50% Latest Model Year shown in Rate Pages, Territory 1, Class 10 Base List Price for assigning VRG based on Appraised Value
Specialty and Classic Motorcycles (Rule 42)	Parts 1,2,4, and 5: 25% of Class 10 Motorcycle Rates Parts 3,6, and 12: Manual Motorcycle Rates	Parts 7,8, and 9: 50% of Territory 1 Motorcycle Rate