



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

101 Arch Street, Suite 400 Boston, Massachusetts 02110
www.commauto.com 617-338-4000

RECORDS OF MEETING

MAIP STEERING COMMITTEE – JANUARY 25, 2023

Members Present

Mr. Barry Tagen – Chair
Mr. Allen Chaves
Ms. Sarah Clemens
Ms. Ida Denard Jones
Ms. Sheila Doherty
Mr. Cory Hanson ⁽¹⁾
Ms. Jean Houghton
Mr. Robert Jackson
Ms. Nicole Martorana
Ms. Mary McConnell
Mr. Henry Risman
Mr. Mark Winiker

Pilgrim Insurance Company
Arbella Insurance Group
MAPFRE U. S.A. Corporation
Denard Insurance Agency, Inc.
Doherty Insurance Agency, Inc.
The Hanover Insurance Company
Norfolk & Dedham Group
GEICO
FBInsure, LLC
Safety Insurance Company
Risman Insurance Agency, Inc.
A-Affordable Insurance Agency, Inc.

Substituted for:

⁽¹⁾Mr. Christopher Taylor

Not in Attendance:

Mr. Shaun Farley, Vermont Mutual Insurance Group

MSC

22.01 Records of Previous Meeting

The Committee unanimously voted to approve the Records of the MAIP Steering Committee meeting of June 28, 2022. The Records have been distributed and are on file.

MSC

22.04 Electronic MAIP Stamp

Mr. John Metcalfe reported that Staff has completed the development and testing of the MAIP E-stamp for use on registration and insurance certifications for MAIP policies. He indicated Staff developed a process for use of the E-Stamp including training documentation and proper security provisions which were tested by staff and selected certified agents. He indicated that it is CAR’s intent to implement use of the stamp for all agencies in late February. He noted that the availability and use of an E-Stamp will be complementary to the availability and use of wet stamps, and that there are no immediate plans to replace the wet stamp until the usage of each can be evaluated.

Mr. Metcalfe reviewed proposed amendments to the Assigned Risk Producer Procedures Manual in Chapter II – MAIP Stamp Requirements and Authorization and Chapter IV – MAIP Stamps, He informed

the Committee that the proposed edits to the manual language provide information on the availability and use of a MAIP E-Stamp in addition to MAIP wet Stamps procedures.

The Committee unanimously voted to recommend to the Governing Committee approval of the proposed amendments to the Assigned Risk Producer Procedures Manual.

MSC

22.06 Private Passenger Definition

Ms. Wendy Browne reviewed the proposed changes to Rule 27 – Private Passenger Definition of the MAIP rating manual to include SUVs in the eligibility definition, address vehicles with a gross vehicle weight up to 16,000 pounds and to ensure consistency with the commercial manual. Ms. Browne advised that pursuant to Committee discussion at its last meeting, reference to the sole personal use of pick-up, van, and SUV vehicle types has been removed from the original draft to ensure consistency with the business use classification.

The Committee unanimously voted to recommend to the Governing Committee approval of the proposed amendments to Rule 27 - Private Passenger Definition.

MSC

22.08 MAIP Physical Damage Maximum Loss Payable

Mr. Tim Galligan provided an overview of the documentation attached to the Notice of Meeting which included information requested by the Committee at its previous meeting. The documentation addressed historical high-valued vehicle counts, loss experience and information on maximum physical damage loss limitations in other states' residual markets. Mr. Galligan noted that staff reviewed the AIPSO plans and identified 3 states that exclude physical damage coverage, 10 states with coverage limits ranging from \$25,000 to \$75,000, and 10 states that restrict or exclude coverage based on MSRP.

CAR Counsel Steven Torres advised the Committee on his review of Massachusetts statutory regulations that might apply to limitation of coverage with respect to a physical damage coverage cap. He advised that while the statute contains a requirement to offer physical damage coverage, there is no language that prohibits a payout limit under the statutory physical damage coverage obligations outlined in MGL c. 175 § 113H – Assigned Risk Plans.

Some committee members noted the small volume of claims experience greater than \$100,000 and questioned the need for a coverage limitation. Mr. Barry Tagen noted that the loss exposure, however, is significant. He further commented that due to the large volume of companies with LADAs and credit purchases, the risk of these large losses is not spread equitably among all Members. After discussion, the Committee reached consensus that a coverage limitation would be appropriate.

Discussion then focused on an appropriate coverage limitation. The Committee considered the coverage limitations adopted in contiguous states but agreed that the \$75,000 limit is low in light of the cost of the average vehicle. After discussion, the Committee unanimously voted to set the MAIP physical damage loss payable coverage limit at \$175,000 per vehicle.

As a result of their action, the Committee was informed that staff will draft amendments to the Rules of Operation and MAIP Insurance Manual and will provide applicable endorsement forms for consideration at the next meeting.

MSC

23.04 MAIP Policy Application Update – Risk Email Address

Ms. Wendy Browne informed the Committee that an assigned risk company had requested that the Committee consider adding the insured email address to the MAIP Policy Application and the associated data transfer record layout.

Ms. Browne noted that such a change to the record layout requires system resources by both CAR staff and the Assigned Risk Companies (ARC) and that CAR had reached out to the 8 ARCs currently receiving assignments to solicit input on the perceived benefits and costs. She reviewed the feedback received from the ARC's indicating that the responses varied from being favorable regardless of the cost to those that were unsure of the benefits and those that did not see any value in adding the new field. She also noted that the change would be substantial for those companies that utilize the MAIP XML option as compared to those companies that utilize the ACORD transfer option.

The Committee discussed the benefits of adding the email address, including the possibility of going paperless if the email address were provided, and the drawbacks, including the lack of data integrity of the email addresses that are currently provided through the supplemental applications.

Following additional discussion, the Committee agreed that further information should be obtained from companies about the cost associated with implementing this change. One member also inquired whether any decision to proceed would be impacted by statute relative to requiring proof of mailing. Finally, it was suggested that, to minimize future record changes, CAR solicit feedback regarding additional data elements that may be useful, such as cell phone number. As a result, CAR staff indicated that they would update the Committee with their findings, including any potential impacts to CAR manual language for discussion at its next meeting,

ADRIANNE DONOVAN
Residual Market Services Liaison

Boston, Massachusetts
February 2, 2023

ATTACHMENT LISTING

Docket #MSC23.02, Exhibit #1

Attendance Listing

**MAIP STEERING COMMITTEE MEETING
 MEETING ATTENDEES
 JANUARY 25, 2023**

Individual's Name

Company / Agency

PLEASE PRINT

Sarah Clemens	MAPFRE U.S.A. Corporation
Allen Chaves	Arbella Insurance Group
Ida Denard Jones	Denard Insurance Agency, Inc.
Sheila Doherty	Doherty Insurance Agency, Inc.
Jean Houghton	Norfolk and Dedham Group
Robert Jackson	GEICO
Nicole Martorana	FBInsure, LLC
Mary McConnell	Safety Insurance Company
Henry Risman	Risman Insurance Agency, Inc.
Barry Tagen	Pilgrim Insurance Company
Cory Hanson	The Hanover Insurance Company
Mark Winiker	A-Affordable Insurance Agency, Inc.
Kathy Cormier	MAIA
Mary Ellen Thompson	Division of Insurance
Jessica Sparks	Quincy Mutual Group
Austin Tocci	Pilgrim Insurance Company
Steven Torres	TSH & D – CAR Counsel
Benjamin Hincks	TSH & D – CAR Counsel
Wendy Browne	CAR Staff
Shannon Chiu	CAR Staff
Timothy Costain	CAR Staff
Richard Dalton	CAR Staff
Samuel DiBattista	CAR Staff
Adrienne Donovan	CAR Staff
Timothy Galligan	CAR Staff

**MAIP STEERING COMMITTEE MEETING
MEETING ATTENDEES
JANUARY 25, 2023**

Individual's Name

Company / Agency

PLEASE PRINT

Steven Gautieri	CAR Staff
Natalie Hubley	CAR Staff
Cheryl Kopas	CAR Staff
John Metcalfe	CAR Staff
Peter McCabe	CAR Staff
Katy Proctor	CAR Staff
Lynne Rosenberg	CAR Staff
Robin Tigges	CAR Staff