



NATALIE A. HUBLEY
PRESIDENT

COMMONWEALTH AUTOMOBILE REINSURERS

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RECORDS OF MEETING

MAIP STEERING COMMITTEE – AUGUST 29, 2023

Members Present

Mr. Barry Tagen – Chair
Mr. Allen Chaves
Ms. Sarah Clemens
Ms. Ida Denard Jones
Mr. Shaun Farley
Ms. Jean Houghton
Mr. Robert Jackson
Ms. Nicole Martorana
Ms. Mary McConnell
Mr. Henry Risman
Mr. Christopher Taylor
Mr. Mark Winiker

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

Substituted for:
N/A

Not in Attendance:
Ms. Sheila Doherty, Doherty Insurance Agency, Inc.

MSC

23.01 Records of Previous Meeting

On a roll call vote, the Committee unanimously voted to approve the Records of the MAIP Steering Committee meeting of January 25, 2023. The Records have been distributed and are on file.

MSC

22.08 MAIP Physical Damage Maximum Loss Payable

Mr. Timothy Galligan provided an overview of the exhibits attached to the Notice of Meeting which were prepared by staff as a result of the Committee's recommendation at its last meeting to establish a maximum physical damage limit of liability of \$175,000. The attachments include draft amendments to Rule 27 of the CAR Rules of Operation, Rules 3 and 22 of the Massachusetts Private Passenger Residual Market Automobile Insurance Manual, Endorsement MP-0006, and an amendment to the VRG rating Rule 22 in the Rate section.

Mr. Galligan explained that, after the meeting agenda was distributed, CAR received feedback on the proposed changes and identified additional considerations that require further discussion by the Committee. These items were included in the Additional Information distributed prior to the meeting.

Mr. Galligan advised that Rule 27 – Coverages of the Rule of Operations allows for the Assigned Risk Carrier’s discretion to provide higher limits than those required by the Rule. The amendment to Rule 27, as drafted, would also enable carrier discretion to provide physical damage coverage above the proposed \$175,000 limit. Staff requested further clarification of the Committee’s intent. After discussion, the Committee members agreed that, to ensure consistency among all carriers, the proposed physical damage limit should not allow for the carriers’ discretion to afford higher limits.

Mr. Galligan then explained that Endorsement MP-0006 attached to the Notice was placed on file by the AIB for use in conjunction with risks not subject to compulsory law. The form, therefore, contains unrelated references and requires that a carrier input the limits of liability. Mr. Galligan advised that, because of these issues, staff will continue to research the availability of another form for CAR’s use or whether, as a last resort, CAR will need to develop its own form.

Because the Committee is recommending a \$175,000 limit without discretion for additional coverage, Mr. Galligan noted that it has been recommended that this value be hard coded on the endorsement form. He requested input as to whether the endorsement should be attached to all assigned risk policies or only to those policies that have a vehicle value greater than \$175,000. After discussion, the Committee members agreed that the recommended endorsement form should be hard coded with the specified limit and that it should be attached to all assigned risk policies. Further, it was noted that, because the endorsement is to be attached to every policy, the endorsement should clearly explain that the covered loss will be the lesser of the vehicle value or the maximum limit.

Continuing, Mr. Galligan noted two additional provisions included in the General Provisions and Exclusions section of the Massachusetts Automobile Insurance Policy that will require further review as the endorsement form is finalized. Specifically, consideration will be given to whether clarification is needed to ensure that the obligation to a secured lender does not exceed the limit of liability and to ensure appropriate notification to the secured lender. In addition, consideration will also be given to consider whether clarification is needed to address sales tax within the context of limit of liability.

Finally, Mr. Galligan requested that the Committee discuss its recommended effective date for the proposed filing, noting that, typically, CAR ensures a 90 day lead time from the date the rules and forms are placed on file. Committee members indicated that, in light of the 45 day renewal requirement, 90 days would not be sufficient lead time to implement a form change of this nature. The committee members agreed to further consider appropriate lead time at its next meeting.

After discussion, Ms. Browne indicated that staff would work with CAR Counsel to review and update the proposed language in Rule 27 of the Rules of Operations and Rule 3 of the rating manual to ensure that language is appropriate and meets the Committee’s intent. Certain Committee members commented that notification to the risk was critical, especially in light of the fact that the agent does not typically interact with the risk during the renewal process. Accordingly, the Committee directed CAR Staff to draft a policyholder notice to accompany the endorsement and modify the MAIP policy application to advise the agent of the maximum limit of liability when the application is completed online.

ADRIANNE DONOVAN
Residual Market Services Liaison

Boston, Massachusetts
September 6, 2023

ATTACHMENT LISTING

Docket #MSC23.02, Exhibit #2

Attendance Listing

**MAIP STEERING COMMITTEE MEETING
MEETING ATTENDEES
AUGUST 29, 2023**

Individual's Name

Company / Agency

PLEASE PRINT

Allen Chaves	Arbella Insurance Group
Sarah Clemens	MAPFRE U.S.A. Corporation
Ida Denard Jones	Denard Insurance Agency, Inc.
Shaun Farley	Vermont Mutual Insurance Group
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
Christopher Taylor	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
Ken Willis	Plymouth Rock Assurance Corporation
Wendy Browne	CAR Staff
Shannon Chiu	CAR Staff
Richard Dalton	CAR Staff
Samuel DiBattista	CAR Staff
Adrienne Donovan	CAR Staff
Timothy Galligan	CAR Staff

**MAIP STEERING COMMITTEE MEETING
MEETING ATTENDEES
AUGUST 29, 2023**

Individual's Name

Company / Agency

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Cheryl Kopas	CAR Staff
Katy Proctor	CAR Staff
Lynne Rosenburg	CAR Staff
Robin Tigges	CAR Staff