

**A. Submitting an Application to the MAIP**

To obtain MAIP coverage for an Eligible Risk an Assigned Risk Producer (ARP) must submit an electronic application for private passenger motor vehicle insurance coverage to the MAIP.

ARPs must assure that the application for insurance through the MAIP is submitted on the prescribed form and that each application is completed accurately and thoroughly. An application that contains information the MAIP verifies as incorrect or an incomplete application will be returned to the producer for remedy. Once the application for coverage through the MAIP is received and all required information for the assignment of the policy is provided, the MAIP will assign a certification number to the application.

**B. Assignment of Application to a Member**

An application with a certification number will be randomly assigned to a Member based on its Quota Share as specified in Rule 29 – Assignment Process. The MAIP will notify the ARC of the policy assignment. The MAIP will notify the ARP of the identity of the ARC which will issue the policy and the effective date of the coverage.

Once the policy has been assigned to an ARC, after receiving such notice, the ARP is responsible for providing the ARC with the following items within two working days as specified in Rule 31.B.5:

1. The original application form and any supplemental or additional information, signed by the applicant and the ARP, and if applicable, a copy of the voluntary premium quote or voluntary premium quote identification number; and
2. The required deposit premium as specified in Section C.1.

**C. Premium Deposit and Payment Options**

1. Amount of Premium Deposit

A deposit of the amount noted in Section C.1.a. shall accompany the application for MAIP coverage. The applicant, at his option, may choose to make a larger deposit payment. The deposit shall be in the form of a personal check, certified check, bank check, money order, premium finance company check or ARP's check made payable to the

ARC. In the event that an ARP submits a dishonored check, issued either by the agency or by the ARP individually, on one or more occasions during a one-year period, future payments for the next 12 months must be submitted by certified check, bank check, or money order.

- a. If a voluntary quote is obtained by the ARP the new business deposit shall be determined based upon the lower of the MAIP quoted premium or the ARC voluntary quoted premium. The applicant will be required to provide a deposit of 30% with the deposit calculated using whichever total premium is less. If a voluntary quote is not obtained, a deposit of 25% of the MAIP quoted premium is required.

However, the applicant will be required to provide a premium deposit of 80% of the MAIP premium, or if known, 100% of the ARC's voluntary premium, if the applicant has during the preceding 24 months been issued a notice of cancellation for non-payment of an automobile insurance premium which resulted in the cancellation of that policy.

The ARC shall send the applicant a notice of any additional or return premium adjustment to the deposit premium at the same time as the issuance of the coverage selections page. The applicant may be required to pay any additional deposit premium within 30 days of the issuance of the coverage selections page, and the ARC may not issue a cancellation notice for non-payment of premium during this 30 day period. Any return premium adjustment to the deposit shall be sent to the applicant within 30 days of the issuance of the coverage selections page.

- b. A deposit of 20% is required for a renewal policy. An ARC may elect to require more than a 20% deposit for a renewal policy if the policyholder during the preceding 24 months has been issued a notice of cancellation for non-payment of an automobile insurance premium which resulted in the cancellation of that policy.
- c. All deposit, installment and additional premium payments shall be submitted gross of any commissions. Commission to the ARP will be paid in accordance with Rule 37 – Commissions.

2. Installment Plan

Each ARC will utilize the installment payment plan filed by Commonwealth Automobile Reinsurers for MAIP business. The plan will require an initial deposit payment for new and renewal business pursuant to Section C.1. Upon receipt of the new business deposit, the ARC will then calculate the balance of the premium owed on the basis of the lower of the MAIP rate or the ARC rate and the insured will pay that premium balance over nine equal monthly installments. The deposit for renewal business will be a percentage of the premium calculated using the lower of the ARC's rate or the MAIP rate. The remaining balance will be paid over nine equal monthly installments.

For policies effective prior to August 1, 2015, a flat fee of \$6.00 per installment finance charge will apply until the entire balance is paid.

For policies effective August 1, 2015 and subsequent, a flat fee of \$8.00 per installment finance charge will apply until the entire balance is paid.

3. Dishonored Check Charge

For policies effective prior to August 1, 2015, a dishonored check fee of \$25 will be charged to an applicant or policyholder issuing a check that is dishonored by the financial institution to which the check is presented for payment.

For policies effective August 1, 2015 and subsequent, a dishonored check fee of \$29 will be charged to an applicant or policyholder issuing a check that is dishonored by the financial institution to which the check is presented for payment.

4. Late Fee or Cancellation Fee

For policies effective prior to August 1, 2015, a policyholder who fails to pay an installment premium by the applicable due date will be charged a late fee or cancellation fee of \$25.

For policies effective August 1, 2015 and subsequent, a policyholder who fails to pay an installment premium by the applicable due date will be charged a late fee or cancellation fee of \$29.

5. Agency Acceptance of Payments

Acceptance of payment by the ARP shall be viewed as a payment to the ARC.

6. Premium Financed Policies

The standards pertaining to premium financing for policies issued through the MAIP must be consistent with state laws and regulations.