

**Performance Standards for the Handling and Payment of  
Private Passenger Claims by Servicing Carriers**

**Summary of Changes  
November 13, 2009**

***Introduction***

***Pg. PP PS 2 of 25***

Effective April 1, 2008 Commissioner of Insurance Nonnie S. Burnes approved competitive rating for Massachusetts Automobile Insurance. Servicing Carriers are offering additional coverages and services that may exceed specific approved Performance Standards. In the event that a difference exists between the Standard and a coverage offered by the Servicing Carrier the policy coverage will supersede the Standard.

Explanation: Clarifies that, in the event of a difference between the Standards and approved coverage offered by a Servicing Carrier the policy coverage will apply.

***Pg. PP PS 5 of 25***

***I. Auto Physical Damage & Property Damage Liability Claims***

***A. Auto Body Payments***

***1. Service Times***

- a. Carriers must establish procedures to permit prompt appraisal of damage and to make prompt claim payments of auto physical damage claims.

Explanation: "Inspection" was changed to "Appraisal" to confirm that in the case of Expedited Supplemental Appraisals as described in Regulation 212 CMR 2.0 Section (i) physical inspection of the vehicle is not required.

***Pg. PP PS 17 of 25***

***III. No-Fault Personal Injury Protection Benefits Handling***

***B. Contacts***

1. Necessary forms should be mailed or, if preferred by the consumer, electronically sent to the address they specify within 5 business days after notice of injury.

Explanation: Indicates that forms may be sent by mail or electronic mailings if preferred by the consumer.

***Pg. PP PS 17 of 25***

***III. No-Fault Personal Injury Protection Benefits Handling***

***C. Medical Management***

1. Carriers must establish a plan to maintain a continuing awareness of the disability claimed, the medical treatment, and whether the treatment and medical expenses are reasonable, necessary, and related to the auto accident.
2. Any plan should include historically utilized techniques such as timely independent medical examinations, medical bill reviews including but not limited to a determination of usual and customary charges, use of preferred provider organizations, managed care programs, and/or expert medical systems, as well as innovative approaches.

Explanation: This change reflects that carriers must have a plan for medical cost containment and should use time tested techniques but that the various medical management techniques used are up to the individual carrier.

***Pg. PP PS 25 of 25***  
***Non Compliance Penalties***

The Penalty Schedule has been updated with the 2008 total market share and penalty provisions for each carrier and the industry.

## **APPENDICES**

### **Appendix E: Regulation 211 CMR 93.00**

Cost and Expense Containment Standards for Motor Vehicle Insurers was repealed on October 17, 2008 and has been deleted.

### **Appendix F – Regulation 212 CMR 2.00**

The Appraisal and Repair of Damaged Motor Vehicles

This regulation has been updated as it was revised in 2008 to include new regulations on Intensified Appraisals.

### **Appendix M - Questionnaire**

The Questionnaire has been updated to inquire about a Servicing Carrier's additional coverage/endorsements it is offering under Competitive Rating that would affect compliance with the Standards. The Questionnaire will be sent to the Company prior to the commencement of CAR's periodic review in order to provide background information on claims handling programs established by the Servicing Carrier.

### **Appendix P - DOI 2008-12 Clarification of Coordination of Benefits under MGL c 90, §34A and the Interrelationship by and among PIP, Health Insurance and Medical Payments**

The Bulletin issued by Commissioner of Insurance Nonnie S. Burnes on September 16, 2008 clarifying the coordination of benefits between PIP, Health Insurance, and Medical Payments has been added to the Appendices.