General Modifications: Private Passenger Claim Performance Standards – April 6, 2021

The Performance Standards and Appendices for the handling and payment of claims are reviewed every two years in accordance with Massachusetts G.L. c. 175 sec. 113H. Below are general descriptions of changes to the Private Passenger Claim Performance Standards approved by the Division of Insurance by Order on April 6, 2021.

Private Passenger Specific Modifications:

Standard I: Motor Vehicle Physical Damage & Property Damage Liability Claims
Standard II: Bodily Injury & Uninsured/Underinsured Motorist
Standard III: No-Fault Personal Injury Protection Benefits Handling
- Language is adjusted in all three Standards referenced above to more precisely emphasize the requirement that the SIU Standards for the investigation of suspicious claims must be adhered to as part of the special investigation process.

Measurements & Penalties
- The SIU audit description now details each measured Best Practice.
- The SIU aggregate compliance rate of all Best Practices tested in the SIU review is 80%.
  - A tiered penalty program now exists for those ARCs that do not achieve 80% compliance.

Appendix A: CAR Special Investigative Unit Standards
- CAR Rule 32 underwriting SIU referrals will now be uploaded into the same SIU System as the claim referrals on a quarterly basis.
  - An underwriting referral template is available on CAR's website.

Appendix J: CAR SIU File Review Process – MAIP Policies
- The calculation of the Saved Amount field included on the claims SIU Quarterly Activity Log is now standardized to determine the reported savings considered in the SIU evaluation.
- The CAR Rule 32.C. requires the SIU to conduct a representative sample audit of policies to verify garaging and policy facts. The completed audit reports are to be attached and emailed to the CAR SIU group email (siulog@commauto.com) on a quarterly basis.
  - The audit report may be completed in any format determined by the company (Word, Excel, PDF, etc.).