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DIRECTOR, CONSUMER AFFAIRS
AND BUSINESS REGULATION

BULLETIN No. 98-12

To: All Companies Writing Credit Life and Credit Accident And Health Insurance

From: Linda Ruthardt, Commissioner of Insurance

Re: Credit Insurance Sold by Motor Vehicle Dealers

Date: September 29, 1998

Pursuant to M.G.L. c. 175, s 117c (F) (2), I am required to review the combined experience of all insurers for the motor vehicle dealers class of business, and compute the appropriate rates for credit life and credit accident and health insurance sold through automobile dealers, for policies issued or renewed, commencing on January 1, 1999 through December 31, 2001.

The statutory prima facie rates for 1999-2001 for the motor vehicle dealer class of business are:

1. For credit life insurance, the nominal rates per one thousand dollars of insurance inforce per month shall be forty six cents for single life insurance, and one hundred and sixty percent of said single life insurance rate for joint life insurance, or seventy four cents.

2. For credit accident and health insurance, single premium rates for each one hundred dollars of initial indebtedness shall be fifty two cents per annum for each of the first four years of the term of coverage, thirty seven cents per annum for each of the next three years of the term of coverage and nineteen cents per annum for each year of coverage thereafter.

Any questions concerning this bulletin should be directed to Frederick Lonsdale at (617) 521-7344.