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BULLETIN 2006-9

TO: All Property and Casualty Insurers Writing Private Passenger Motor Vehicle Insurance Policies or Bonds; All Insurance Producers with Authority to Write Property, Casualty or Personal Lines Insurance

FROM: Julianne Bowler, Commissioner of Insurance

DATE: November 21, 2006

RE: 2006 Group Marketing Plans for Motor Vehicle Insurance Polices or Bonds, and Approved Rate Deviations for Policy Year 2006

As you are aware, Chapter 213 of the Acts of 2004 (the "Act") changed the effective dates of fixed and established rates for motor vehicle policies and bonds which were, prior to the Act, January 1 through December 31. Under the Act, rates fixed and established by the Commissioner of Insurance ("Commissioner") are effective from April 1 of each year through March 31 of the following year. For this year only, the first year of this change, rates are effective for the 15-month period of January 1, 2006 through March 31, 2007.

M.G.L. c. 175, §193R provides for group marketing plans in the private passenger motor vehicle insurance markets as approved by the Commissioner for groups such as company employees, trade unions, associations or organizations. Rates for policies issued through the group marketing plans are fixed and established pursuant to state law.

In addition to the group marketing plans, insurers may request a downward deviation in rates under G.L. c. 175, §113B. Rate deviations approved by the commissioner begin April 1 of the ensuing year, consistent with the Act.

It has come to our attention that some carriers are unclear as to whether the group marketing plans for motor vehicle insurance and rate deviations that were approved for the 2006 rate year will expire at the end of the calendar year, December 31, 2006, as they historically did, or at the end of the 2006 rate year, March 31, 2007, as recently established under the Act. Please be advised that because these plans and deviations are intended to coincide with the actual fixed and established rate which, for this first year under the Act only is a 15-month period, they will

expire on March 31, 2007. Group marketing plans and rate deviations that are intended to be effective after March 31, 2007 must be filed according to the standard filing procedures that will be sent separately to carriers.

If you have any questions regarding this bulletin, please contact Gerald Condon of the State Rating Bureau at (617) 521-7377.