COMMONWEALTH OF MASSACHUSETTS
Office of Consumer Affairs and Business Regulation
DIVISION OF INSURANCE

One South Station • Boston, MA 02110-2208
(617) 521-7794 • FAX (617) 521-7475
Springfield Office (413) 785-5526
TTY/TDD (617) 521-7490
http://www.state.ma.us/doi

MITT ROMNEY
GOVERNOR

KERRY HEALEY
LIEUTENANT GOVERNOR

JANICE S. TATARKA
DIRECTOR, CONSUMER AFFAIRS AND BUSINESS REGULATION

JULIANNE M. BOWLER
COMMISSIONER OF INSURANCE

BULLETIN 2006-10

TO: All Insurers Writing Private Passenger Automobile Insurance in the Commonwealth of Massachusetts for the 2007 Rate Year

FROM: Julianne M. Bowler, Commissioner of Insurance

DATE: December 28, 2006

RE: Offering of Group Discounts and Rate Deviations to Encourage Certain Operators to Successfully Complete Certified Advanced Driver Training Programs

---

This Bulletin is being issued to notify all insurers writing private passenger automobile insurance in the Commonwealth of Massachusetts (the "Commonwealth") of the opportunity, for the 2007 rate year, to file applications for group marketing plans ("group discounts") and/or downward deviations from fixed and established private passenger automobile insurance rates to encourage certain operators to successfully complete an advanced driver training program certified by the Massachusetts Registrar of Motor Vehicles (the "Registrar").

In her *Decision and Order on 2005 Private Passenger Insurance Rates* (Docket Nos. R2004-11, 12 and 13), Commissioner Julianne M. Bowler (the "Commissioner") recognized that, as a matter of public policy, it is important to encourage inexperienced operators to participate in training programs to improve their driving skills. She further noted that, if these programs lead to a reduction in accident rates, costs and driver and passenger injuries, then they will have a positive effect on all drivers in the Commonwealth.

In accordance with Section 36 of Chapter 122 of the Acts of 2006, the Registrar now is required to promulgate rules and regulations relative to the certification and operation of advanced driver training programs offered within the Commonwealth. Although these rules and regulations have not yet been promulgated, the Registrar currently is taking steps to enact these regulations.

Consistent with the Commissioner's recognition of the value of driver training programs to all Massachusetts drivers, and in anticipation of the Registrar's promulgation of regulations under which advanced driver training programs may be certified in accordance with the law, the Division of Insurance ("Division") is notifying insurers that they may wish to offer incentives

during the 2007 rate year to certain operators to encourage them to successfully complete a certified advanced driver training program. These incentives may include offering a group discount to an appropriate group that includes operators who have successfully completed a certified advanced driver training program, in accordance with M.G.L. c. 175, § 193R. These incentives also may include offering a downward deviation to the 2007 fixed and established rates of certain inexperienced operators who have successfully completed a certified advanced driver training program, in accordance with M.G.L. c. 175, § 113B.

Group Discounts

Insurers should be reminded that any application for a group discount must comply with the requirements of M.G.L. c. 175, § 193R and any and all filing requirements of the Division. A checklist setting forth the process by which an insurer may apply for a group discount, as well as the criteria for qualifying for a group discount under the law, may be accessed on the Division's external website at
http://www.mass.gov/Eoca/docs/doi/Companies/Checklists/GroupMarketingChecklists.pdf (PDF version).

Downward Deviations

Insurers also should be reminded that requests to deviate downward from the Commissioner's 2007 fixed and established private passenger automobile insurance rates are governed by M.G.L. c. 175, § 113B. Thus, all applications for downward deviations for the 2007 rate year should be filed in accordance with, and are subject to, the provisions of that statute. The Division notes that for the purpose of reviewing an insurer's application for a downward deviation for the 2007 rate year based on an operator's successful completion of a certified advanced driver training program, the Division only will consider applications that apply to inexperienced operators who have successfully completed a basic driver training program prior to or contemporaneous with successfully completing a certified advanced driver training program, i.e. operator classes 25 and 26.

In accordance with Section 113B, any application to deviate downward for the 2007 rate year must be filed with the Division within 25 calendar days of the Commissioner's December 15, 2006 issuance of her *Decision and Order on Private Passenger Motor Vehicle Insurance Rates for Rate Year 2007*, or no later than January 9, 2007. In light of this short timeframe, for the purposes of filing applications for a downward deviation for the 2007 rate year based on an operator's successful completion of a certified advanced driver training program only, the Division will require insurers to file a notice of their intent to apply for such downward deviation no later than January 9, 2007. Thereafter, such insurers will have 60 days from the date of filing their notice of intent in which to submit all underlying documentation supporting the requested downward deviation to complete their application. All notices of intent to apply for such downward deviation, as well as all subsequent documentation supporting that request, should be submitted to the attention of the Division's State Rating Bureau, with a copy of the same being forwarded to the Automobile Insurers Bureau of Massachusetts.

Additional guidance on filings for downward deviations may be accessed on the Division's external website at http://www.mass.gov/Eoca/docs/doi/Companies/Checklists/Module_8_Rate.pdf (PDF version) or http://www.mass.gov/Eoca/docs/doi/Companies/Checklists/Module_8_Rate.doc (Word version).

Questions regarding filings for group discounts may be addressed to Gerald Condon at (617) 521-7377. Questions regarding filings for downward deviations may be addressed to Kevin Beagan, Deputy Commissioner and Director of the State Rating Bureau, at (617) 521-7323.