# 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
TTY/TDD (617) 521-7490
http://www.mass.gov/doi

DEVAL L. PATRICK
GOVERNOR

TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

DANIEL O'CONNELL
SECRETARY OF HOUSING AND ECONOMIC DEVELOPMENT

DANIEL C. CRANE
DIRECTOR

NONNIE S. BURNES
COMMISSIONER OF INSURANCE


## BULLETIN 2007-08

TO: Commonwealth Automobile Reinsurers

FROM: Nonnie S. Burnes, Commissioner of Insurance

RE: Regulatory Review Standards Applicable to Private Passenger Motor Vehicle Insurance Rate Filings in the Residual Market for Rates Effective April 1, 2008 through March 31, 2009

DATE: October 19, 2007

In furtherance of my commitment to manage competition in our private passenger motor vehicle insurance market, I am establishing certain parameters with regard to the transition rate filing for the residual market that the Commonwealth Automobile Reinsurers ("CAR") must make by October 24, 2007, for the period April 1, 2008 through March 31, 2009. I remain steadfast in my resolve to maintain a small residual market, to keep the number of uninsured drivers to a minimum and to ensure that the rates in the residual market are neither excessive nor unfairly discriminatory. The goal of this Bulletin is to meet all of these fundamentals.

I will find a CAR transition rate filing to be unfair, unreasonable and violative of public policy if it requests an increase for any of the coverages listed in Exhibit 1 to any vehicle premium that is greater than 10% of the premium that would have applied to the same vehicle based on the private passenger motor vehicle insurance rates effective for the period April 1, 2007 through March 31, 2008.

**Exhibit 1**

Coverages Subject to Certification

- Bodily Injury Liability (Parts A-1 and B combined)
- Property Damage Liability
- Personal Injury Protection
- Uninsured Motorists
- Underinsured Motorists
- Collision
- Limited Collision
- Comprehensive (excluding named peril and miscellaneous)

| Current Rating Factors Determining Vehicle Premium | | Measure % Changes | | Current Rating Factors Determining Vehicle Premium |
|---|---|---|---|---|
| Operator Class/Territory | ← | Base Change | → | Operator Class/Territory |
| Limit/Deductible | ← | Factor Change | → | Limit/Deductible |
| Model Year (2007 and prior) | ← | Factor Change | → | Model Year (2007 and prior) |
| Rate Symbol (1- X) (compare current symbol with same symbol in prior year) | ← | Factor Change | → | Rate Symbol (1- X) (compare current symbol with same symbol in prior year) |
| Merit Rating | ← | Factor Change | → | Merit Rating |
| Optional and Mandatory Discounts | ← | Factor Change | → | Optional and Mandatory Discounts |
| Extra Risk Rating | ← | Factor Change | → | Extra Risk Rating |
| | | | | Years Licensed Adjustment |
| | ← | Factor Change | → | Additional Discounts or Surcharges |