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BULLETIN 2008-05

TO: Insurance Companies and Insurance Producers Soliciting, Selling or Servicing Private Passenger Motor Vehicle Insurance Policies in Massachusetts

FROM: Nonnie S. Burnes, Commissioner of Insurance

DATE: February 8, 2008

RE: Distribution of Consumer Information Guides and Additional Policy Information Materials for Private Passenger Motor Vehicle Insurance Policies with Effective Dates on and after April 1, 2008

This Bulletin informs insurance companies ("Insurers") and insurance producers that solicit, sell or service private passenger motor vehicle insurance policies in Massachusetts with policy effective dates on and after April 1, 2008 about requirements related to the distribution of consumer information guides and additional policy information materials to policyholders and consumers.

Distribution of Required Consumer Information Guide

Pursuant to M.G.L. c. 175E §11, the Commissioner may establish rules governing Insurers' production of consumer information guides that describe various private passenger motor vehicle insurance coverage options, as well as an estimate of differences in cost among those various types of coverage and among competing Insurers providing such coverage. Insurers must provide a consumer information guide in accordance with M.G.L. c. 175E, § 11 to all of its private passenger motor vehicle insurance policyholders, as well as to all consumers the Insurer, or its producers, solicits for such insurance.

The Division of Insurance ("Division") has produced the "Your Consumer Guide – Insurers Ways to Save on Your 2008 Automobile Insurance" ("Ways to Save Guide"), which may be used by Insurers and their producers to satisfy the requirements of M.G.L. c. 175, § 11. Copies of the Ways to Save Guide may be obtained by contacting CCH Insurance Services at 1-800-503-1896, Ext. 6689.

Alternatively, an Insurer may create its own consumer information guide to meet these requirements. If an Insurer elects to create its own consumer information guide, in addition to meeting the content and distribution requirements set forth in M.G.L. c. 175E, § 11, the text of such guide shall be in at least 10-point font size and shall be clearly differentiated.

Electronic Transmission of Consumer Information Guide and Additional Policy Information Materials

An Insurer may notify its policyholders, as well as the consumers it or its producers solicit for insurance, in writing, that they may elect to receive the consumer information guide required by M.G.L. c. 175, § 11 either electronically or in paper form. This written notification must include the following information:

- how the policyholder or consumer may access the consumer information guide from the Insurer either via electronic mail, or via the Insurer's website;
- why the consumer information guide is important to the policyholder or consumer;
- how the policyholder or consumer may obtain a free paper copy of the consumer information guide from the Insurer; and
- a toll-free telephone number for the policyholder or consumer to call with any questions regarding the consumer information guide or how to obtain the guide from the Insurer.

An Insurer similarly may notify its policyholders, in writing, that they may elect to receive additional policy information materials that the Insurer may provide to them in the future either electronically or in paper form. This written notification may be provided to policyholders separately from or included with the above-described notification concerning electronic transmission of the Insurer's consumer information guide.

If the policyholder elects, in writing, to receive the Insurer's consumer information guide and/or future policy information materials from the Insurer electronically, then the Insurer may transmit such information to the policyholder electronically until such time as the policyholder notifies the Insurer that he or she prefers to receive paper copies of the consumer information guide and/or additional policy information materials.

To comply with M.G.L. c. 175E, § 11, the Insurer must transmit electronically a consumer information guide that is substantially similar to the paper version of the consumer information guide and/or additional policy information materials used by the Insurer. Additionally, the Insurer must establish procedures to ensure that the electronically transmitted consumer information guide and/or additional policy information materials are received by the policyholder or consumer, as applicable.

Any questions regarding this Bulletin should be directed to Kevin Beagan, Director of the State Rating Bureau, at (617) 521-7323 or at kevin.beagan@state.ma.us.