TO: Insurers and Rating Organizations (“Filing Companies”) Submitting Forms of Property and Casualty Insurance for Issue and Delivery in Massachusetts

FROM: Massachusetts Division of Insurance, Policy Form Review Unit (“Division”)

DATE: October 1, 2009

RE: Filing of Interline Forms and Rules

The purpose of this notice is to advise Filing Companies of the guidelines for filing certain policy forms and rules for multiple property and/or casualty product lines, commonly referred to as “Interline Forms and Rules.” The provisions of this notice supersede those in Filing Guidance Notice 2007-B.

Definition of Interline Form: The Division considers an Interline Form to be any form of property and casualty insurance, bearing no premium and having no impact on policy rates, that is intended for use with policies across more than one personal or commercial Sub-Type of Insurance (“Sub-TOI”) as defined in the NAIC’s Product Coding Matrix (“Matrix”), without a change of form number. The Division also considers policy jackets, declarations pages, schedule pages, signature pages and disclosure notices intended for use with policies across more than one personal or commercial Sub-TOI to be Interline Forms. A coverage part, endorsement, exclusion, application, declaration page, policy jacket form or rule, such as an installment plan or premium payment plan, that does not have a rating impact may be filed for use with more than one line of property or casualty insurance with the exception of Commercial Automobile, Workers’ Compensation, and Private Passenger Automobile insurance.

Definition of Interline Rule: The Division considers an Interline Rule to be any rule governing the use of an Interline Form that is encoded on the same manual or exception page across all lines of business with which the Interline Form will be used. The Division also considers the manual or exception pages governing premium installment plans intended for use with policies across more than one personal or commercial Sub-TOI to be Interline Rules.

Interline Filing Procedure: Interline Filings should contain only one Form and/or Rule in each filing.
However, Interline Forms that have an associated Rule should be filed together in a Form/Rule type filing whenever possible. All such filings are to be submitted under Sub-TOI 35.0001 Personal Interline or 35.0002 Commercial Interline in the Matrix, and are subject to the minimum requirements set forth in Bulletin 2008-08 and the Massachusetts General Instructions. Each Interline Form is subject to a fee of $75.00 per Filing Company, and each Interline Rule to a fee of $150.00 per Filing Company, in accordance with the provisions of Bulletin 2008-19.

Forms and rules may, at the discretion of the Filing Company(ies), be filed either according to the Interline Filing Procedure, or in separate filings among the several Sub-TOIs to which they will apply. No Interline Form may reference a single line of business. In addition, the Division prefers that Interline Forms and Rules do not reference multiple lines of business on the form or rule itself. Interline Forms and Rules that do reference multiple lines of business on the form or rule itself must be filed according to the Interline Filing Procedure.

Separation of Personal and Commercial Lines: The provisions of M.G.L. 175, §2B stipulate minimum readability requirements for every “policy form” as defined in that statute. This definition of “policy form” exempts from those minimum readability requirements “any form for casualty and property insurance which is issued to insure a business, professional or governmental operation.” For this reason, a single form cannot be submitted to the Commonwealth in the same filing for use with both personal and commercial lines of property and casualty insurance. Therefore, when submitting Interline filings, Sub-TOI 35.0000 Personal/Commercial Interline will not be available for use.

Prohibition of Pre-emptive Filing: The provisions of M.G.L. 175, §22A stipulate that the forms of policies of property and casualty insurance must be filed with the Division before delivery and issuance in the Commonwealth. The provisions of M.G.L. 175, §192 extend this requirement to “all forms of riders, endorsements, and applications designed to be attached to such policy forms and when so attached to constitute a part of the contract.” For this reason, the Division cannot place any Interline Form on file for use with policies that have not been filed previously with the Division. Therefore, when submitting Interline Form filings, the Form Utilization List required by Bulletin 2008-08 must reflect only forms of insurance that have been placed on file by the Division.

An interline form may be filed for use by multiple companies within the same filing.

Contact: Inquiries regarding this notice may be directed to Andrea Guen at 617-521-7339 or Andrea.Guen@state.ma.us for Personal Interline, and to Daniel Smith at 617-521-7304 or Daniel.J.Smith@state.ma.us for Commercial Interline.