



Commonwealth of
Massachusetts

Division of
Insurance

2010 Annual Report

Joseph G. Murphy
Commissioner of Insurance

www.mass.gov/doi

Table of Contents

1. Division of Insurance	1
Mission & Primary Activities	
Organizational Chart	
Budget, Revenue & Assessments	
The Insurance Marketplace in Massachusetts	
2. Insurance Spotlight: Health Insurance	12
3. Monitor Solvency	16
Financial Examinations	
Financial Surveillance	
4. Licensing of Companies & Individuals	23
Company Licensing	
Producer Licensing	
5. Consumer Protection	31
Market Conduct	
Consumer Services	
Board of Appeal	
6. Statistical Rating & Regulatory Control	47
Markets	
Policy Form Review	
Hearings, Appeals & Litigation	
Receiverships	
Special Investigations & Enforcement	
7. Administration	80
8. National Association of Insurance Commissioners Activity	85
Appendix A: Acts, Bulletins and Regulations	A-1
Appendix B: Massachusetts Domestic Companies Select Financial Information	B-1
Appendix C: Direct Premium Written by Line of Insurance	C-1

1 - Division of Insurance

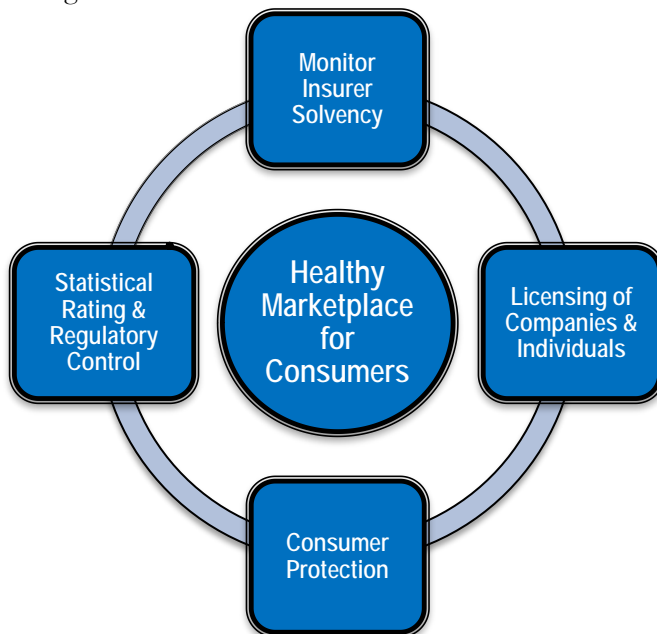
The Division of Insurance administers the laws of the Commonwealth as they pertain to the protection of the insurance consumer through the regulation of the insurance industry. The Division monitors financial solvency; licenses insurance companies and producers; reviews and approves rates and forms; and coordinates the takeover and liquidation of insolvent insurance companies and the rehabilitation of financially troubled companies. The Division also investigates and enforces state laws and regulations pertaining to insurance and responds to consumer inquiries and complaints. The Division provides the public with information regarding various types of insurance through its website and assorted publications.

1.1 Mission

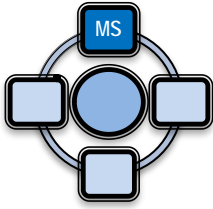
The primary mission of the Division of Insurance is to monitor the solvency of its licensees in order to promote a healthy, responsive and willing marketplace for consumers who purchase insurance products. Protection of consumer interests is of prime importance. The Division safeguards these interests by providing accurate and unbiased information so consumers may make informed decisions and by intervening on behalf of consumers who believe they have been victimized by unfair business practices.

1.2 Core Areas

The Division of Insurance protects consumers and promotes a fiscally sound insurance marketplace through the performance of four core areas of regulation. Taken together, these activities represent the core of effective insurance regulation.

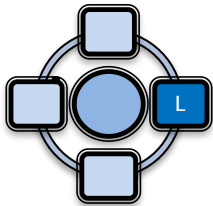


Monitor Insurer Solvency (MS)



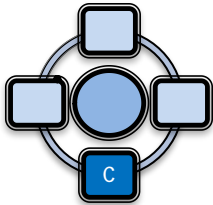
The Division closely monitors the financial health of insurance companies so that these insurers will always have the financial resources to pay out the benefits promised in their policies. A quarterly financial analysis of every insurance company domiciled in Massachusetts establishes an up-to-date measure of fiscal health. This process provides an early warning of possible financial problems so that appropriate regulatory action can be taken before the extreme situation of an insolvency. The monitoring process also includes periodic on-site financial examinations of all domestic carriers to value assets, determine liabilities and verify compliance with applicable statutes and regulations.

Licensing of Companies and Individuals (L)



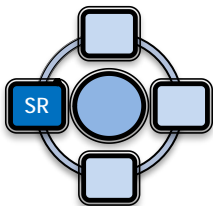
The Division creates and maintains an orderly insurance marketplace by licensing its participants – insurance companies, insurance producers and other key participants in the market. The review and analysis of insurer filings and financial statements promotes a marketplace of solvent, fiscally sound insurance companies. The process of licensing producers and other individual and business entity participants in the insurance industry ensures a marketplace where individuals and firms conducting the business of insurance are qualified and that they conduct business within the requirements of the laws and regulations of the Commonwealth.

Consumer Protection (C)



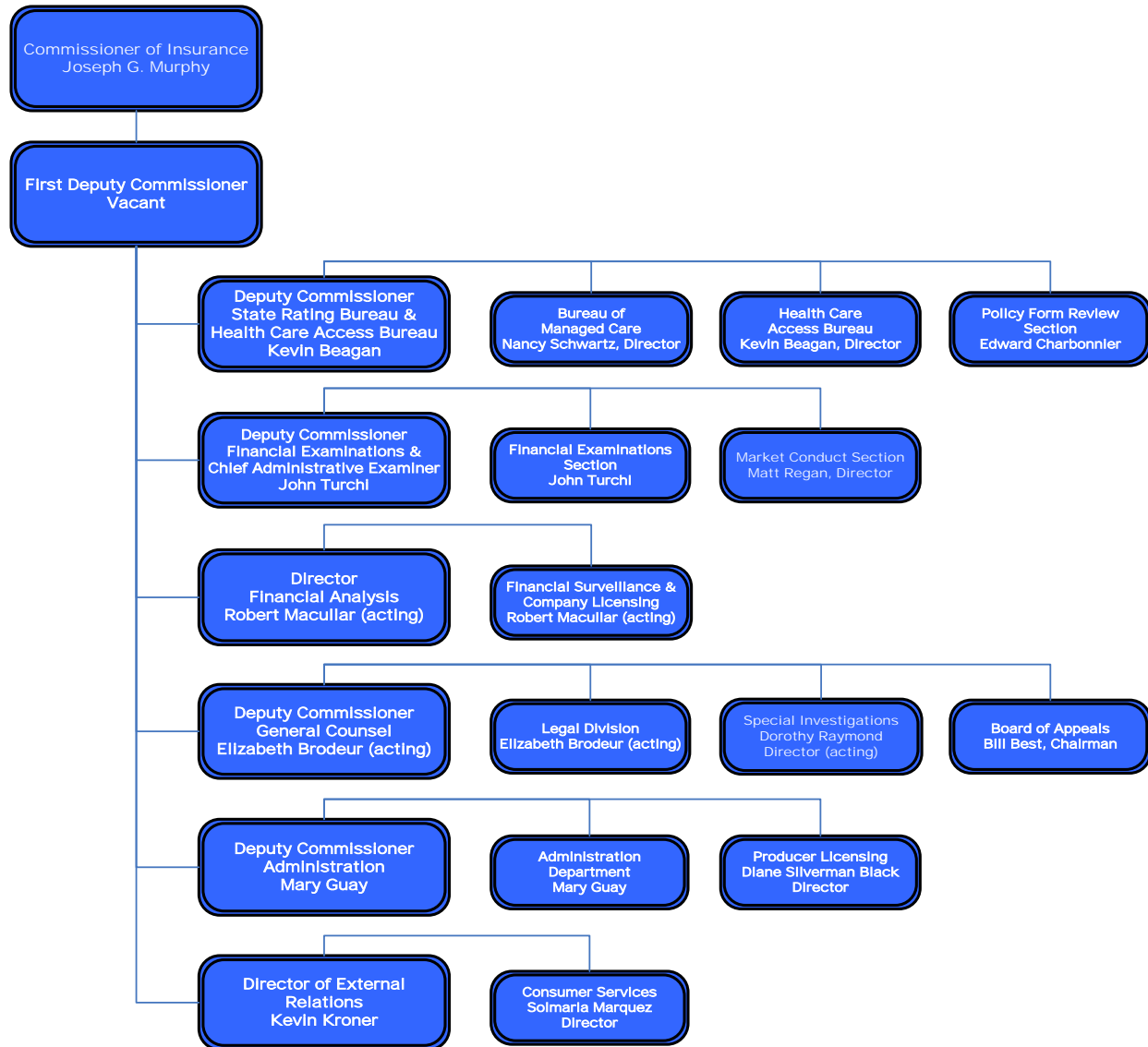
Beyond the financial health of an insurer, the Division protects consumers in the insurance marketplace by monitoring the market activities of insurers and assisting consumer with questions and complaints about insurance. Through market conduct examinations, the Division looks beyond the financial condition of a company by examining business practices such as policy underwriting and rating; cancellations and non-renewals; claim settlements; original insurance applications; and advertising materials. The Division provides the general public with a non-judicial alternative for pursuing complaints against insurance companies and producers. The underlying goal is to confirm that Massachusetts consumers are treated with fairness and according to the terms of the insurance contract.

Statistical Rating & Regulatory Control (SR)



The Division monitors various insurance markets and issues technical reports and analysis of emerging trends. The forms, rules and rates used by insurers are reviewed by the Division to make sure that company practices are actuarially sound and in compliance with state law. The Division also administers insurance laws and regulations to further the solvency, licensing and consumer protection functions. The administration of these laws results in various hearings, appeals, investigations and formal litigation.

1.3 Organizational Chart



1.4 Human Resources

The Administration Department works closely with the Human Resources department of the Office of Consumer Affairs and Business Regulation on all aspects of managing the Division's workforce, including hiring, promoting, and training. In addition, working with the Division's Labor Relations Counsel, the Administration department responds to various labor relations issues, including employee complaints, grievances and other activities. As of December 31, 2010, the DOI employed 118.2 full time equivalent (FTE) staff.

Division of Insurance Staffing Levels

1978 - 233

2010 - 118

DIVISION OF INSURANCE BUDGET	
Main Appropriation	\$11,620,632
Medical Malpractice Fund	\$306,572
Health Care Access Bureau	\$1,100,000
Workers' Compensation Fund	\$789,470
SRB Medical Malpractice Fund	\$291,255
Total	\$14,107,929

REVENUE	
Appointments	\$34,405,899
Company Licenses	\$301,506
Domestic Company Exams	\$666,364
Fines & Penalties	\$2,188,875
Rate & Form Filing Fees	\$1,455,635
Annual Statements	\$220,733
Life Insurance Valuations	\$569,164
Miscellaneous	\$132,643
Total from Companies	\$44,940,819
Special Brokers Tax	\$25,413,713
Producer Licenses	\$8,695,760
Other Licenses & Exam Fees	\$295,038
Board of Appeal Filing Fees	\$2,099,953
DPH Lead Paint Surcharge	\$880,075
Miscellaneous	\$45,421
Total from Individuals	\$37,429,960

ASSESSMENTS	
Attorney General – Rate Setting	\$1,697,165
Attorney General – Auto Fraud	\$438,506
Attorney General – Workers' Compensation Fraud	\$284,456
Department of Fire Services	\$15,260,623
DOI Operations	\$11,620,632
Health Care Access Bureau	\$549,088
Medical Malpractice Analysis Bureau	\$421,927
Merit Rating Bureau	\$7,027,734
Special Life Assessment	\$1,014,000
SRB Operations	\$900,927
SRB Medical Malpractice	\$160,534
SRB Workers Compensation	\$507,281
Total Assessments	\$39,882,873

1.5 Budget, Revenue & Assessments

Budget

The Division receives an annual main appropriation to account 7006-0020 from the General Court as well as an appropriation for the Health Care Access Bureau (7006-0029). The value of these appropriations are then assessed back on the entities regulated by the Division. In addition, the Division has three statutorily created trust accounts: Medical Malpractice Analysis Bureau Trust Account – 9222-7500; Workers Compensation Rating Bureau Trust Account - 9222-7650; and the State Rating Bureau Medical Malpractice Trust Account - 9222-7900.

The Administration Department works closely with the Budget Department of the Administrative Services Unit of the Office of Consumer Affairs and Business Regulation on the Division's budget, the Governor's budget recommendation for House 1, the allocation of funds into lower subsidiaries and the management of the spending throughout the year.

Revenue & Assessments

The Division of Insurance collects revenue from individuals and companies as part of its statutory responsibilities. In addition, the Division also bills assessments to the industry and collects these funds for the General Fund. Most revenue collected from companies and individuals comes from application and filing fees as well as some fines and penalties.

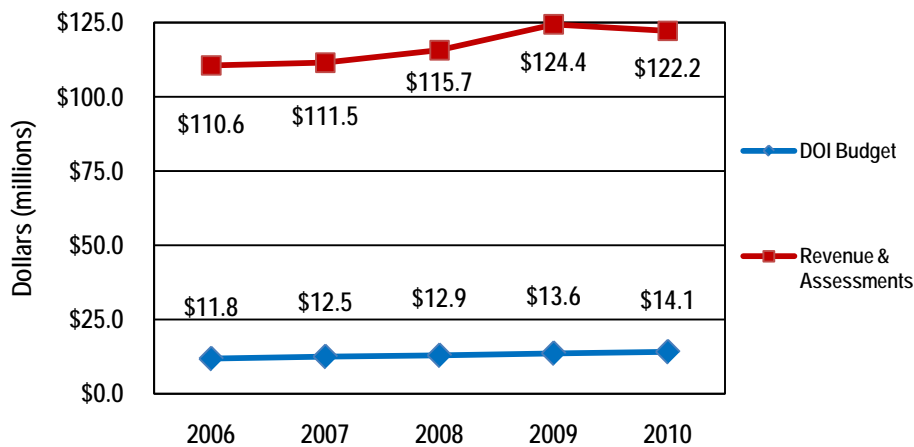
The Commissioner of Insurance is required by the Massachusetts General Laws to bill assessments to insurance companies for various purposes. In Fiscal Year 2011, the Division billed 12 assessments totaling more than \$39 million. The revenue collected from these assessments fund a number of state agencies, including the Division of Insurance, Registry of Motor Vehicle's Merit Rating Board, the Department of Fire Services and various fraud fighting programs in the Attorney General's Office.

Taken together, these revenues and assessments are typically nine to ten times greater than the annual budget appropriation for the Division. In Fiscal Year 2011, the Division of Insurance collected a grand total of more than \$122 million.

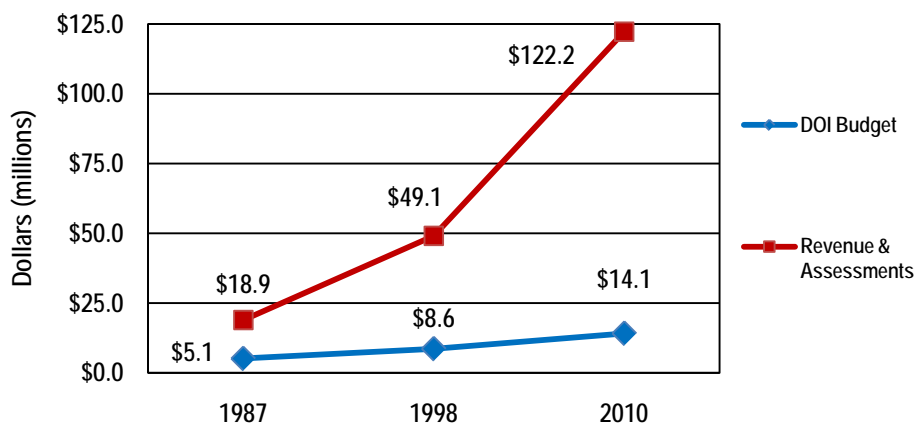
TOTAL 2010 DOI REVENUE COLLECTIONS	
Company Revenue	\$44,940,819
Individual Revenue	\$37,429,960
Assessments	\$39,882,873
Total Collections	\$122,253,652

Budget, Revenue and Assessment figures on this page are from the 2011 Fiscal Year - July 1, 2010 through June 30, 2011.

DOI Budget Appropriation Compared to Collected Revenue
2006-2010



DOI Budget Appropriation Compared to Collected Revenue
1987 - 2010



Insurance Written in Massachusetts

According to a 2010 survey by the National Association of Insurance Commissioners (NAIC), Massachusetts ranks 11th among 56 U.S. states and territories with respect to premium written by domestic insurers. The survey consisted of data from 2009.

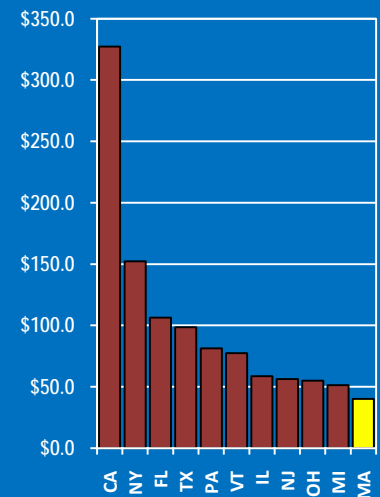
Considering that the Commonwealth's population is much smaller than the other states in the top 10, Massachusetts shoulders a disproportionate share of the responsibility to regulate U.S. insurers. In fact, by almost any measure of regulatory performance, the Massachusetts Division of Insurance does more with less. Compared to most other states, the Division represents a relative bargain for taxpayers, policyholders and insurers in the Commonwealth.

A Bargain for Taxpayers

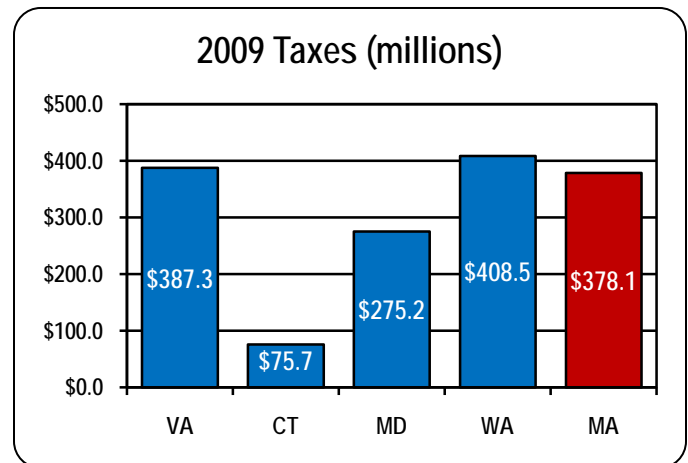
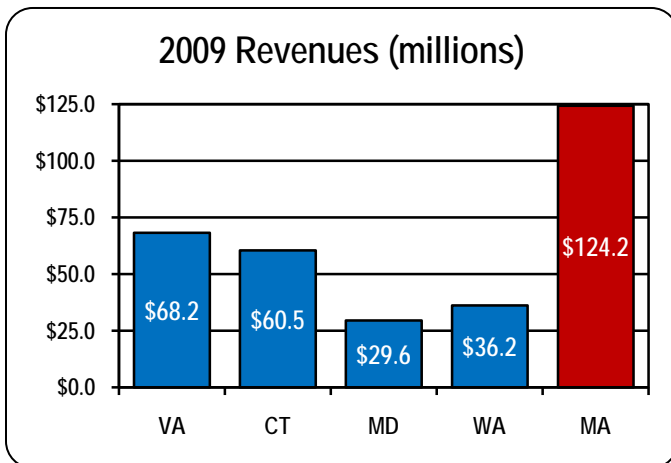
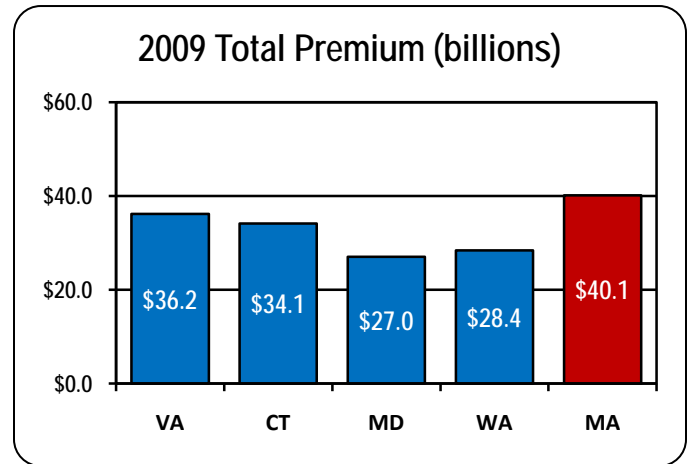
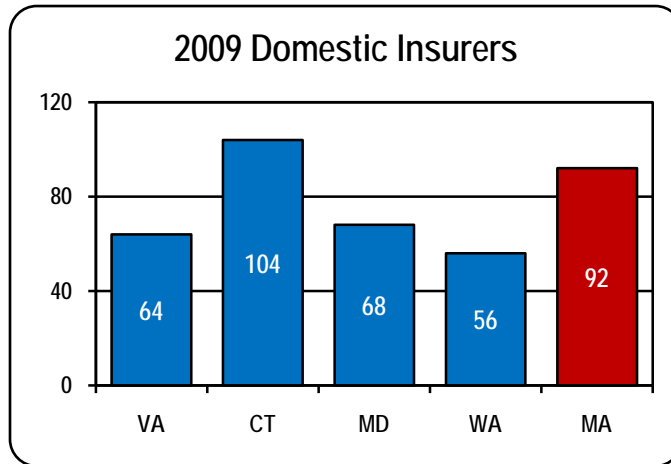
2009 Staffing & Budget National Rank:

Premium Volume	11 th
Full Time Employees	25 th
Annual Budget	30 th
Budget as Percentage of Revenue	48 th
Budget as Percentage of Total Premium	49 th

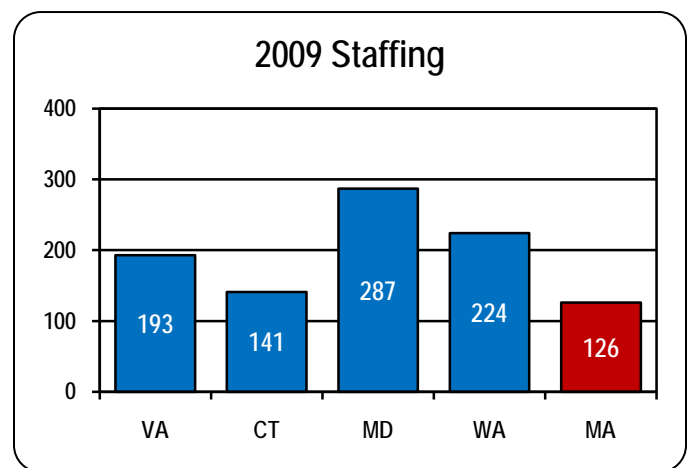
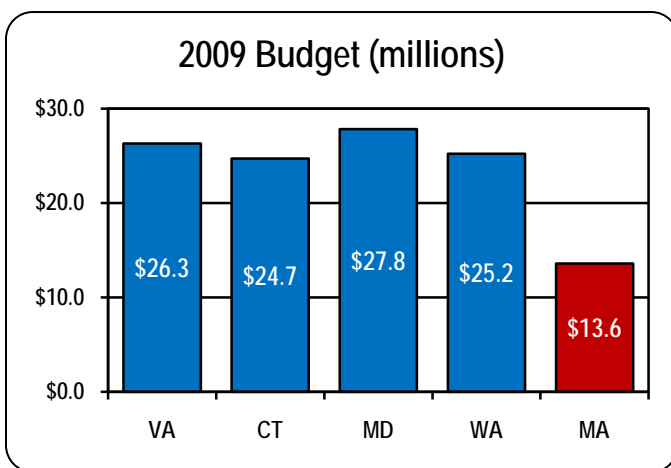
2009 Total Premium Volume by State (\$millions)



The Massachusetts Division of Insurance does more...



...with less



1.6 The Massachusetts Insurance Marketplace

Massachusetts Domestic

Hundreds of insurance companies are licensed to do business in the Commonwealth of Massachusetts. Each year, these companies write tens of billions of dollars in premium in Massachusetts. The Division of Insurance licenses each of these companies and regulates many aspects of their business conduct. For those companies chartered in Massachusetts, the Division is responsible for ensuring company solvency. Monitoring the solvency of Massachusetts domestics not only protects citizens of the Commonwealth, but policyholders across the nation and around the world.

In 2010, Massachusetts was the domicile of:

- 52 property & casualty insurers
- 15 life insurers
- 3 title insurance companies
- 18 health insurers
- 2 lodge fraternal benefit associations
- 22 workers' compensation self-insured groups
- 4 residual market pools
- 162 fraternal benefit and mutual aid societies

Company Market Share

Among the scores of insurance products marketed and sold in Massachusetts, certain lines of insurance represent the lion's share of premium and policies. Premium written under Accident and Health, Homeowners, Life, Automobile and Workers' Compensation policies make up approximately 50% of all premium written in the Commonwealth. With the exception of private passenger automobile insurance, most lines of insurance operate with diverse markets. Consumers can choose from among large numbers of competing companies.

In 2010,
Massachusetts
was the Principal
Regulator for:

90 Insurance
Companies

&

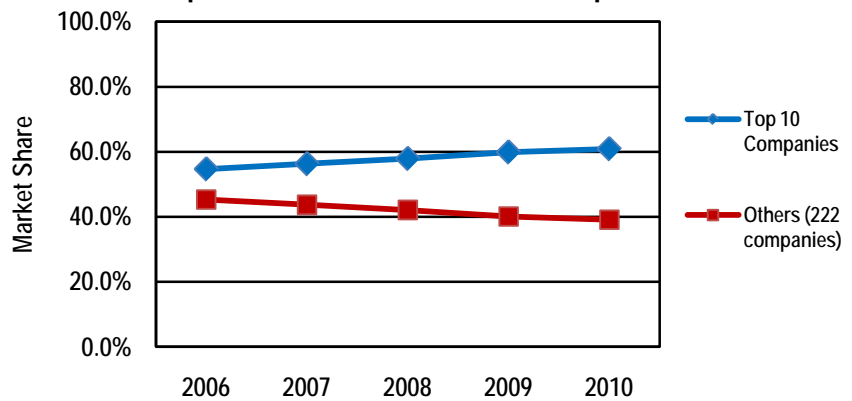
188 Related
Organizations

Top 10% of Selected Market Sectors

Top 10 Accident & Health Insurance Companies*

United Healthcare Ins Co	23.0%
Aetna Life Ins Co	6.8%
Metropolitan Life Ins Co	6.7%
Connecticut General Life Ins Co	5.9%
Unum Life Ins Co of America	5.4%
Guardian Life Ins Co of America	3.6%
Hartford Life & Accident Ins Co	2.4%
Genworth Life Ins Co	2.3%
Unicare Life & Health Ins Co	2.3%
John Hancock Life Ins Co	2.3%

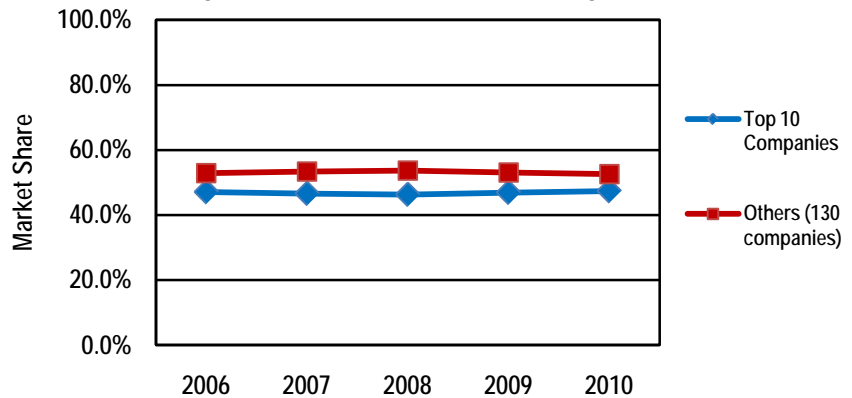
Top 10 Accident & Health Companies*



Top 10 Home Insurance Companies

Citation Ins Co	6.9%
Arbella Mutual Ins Co	6.7%
Liberty Mutual Fire Ins Co	6.2%
Merrimack Mutual Fire Ins Co	5.1%
Commerce Ins Co	4.6%
Quincy Mutual Fire Ins Co	4.5%
Safety Insurance Co	3.5%
Vermont Mutual Ins Co	3.5%
Amica Mutual Ins Co	3.3%
Phoenix Ins Co	3.2%

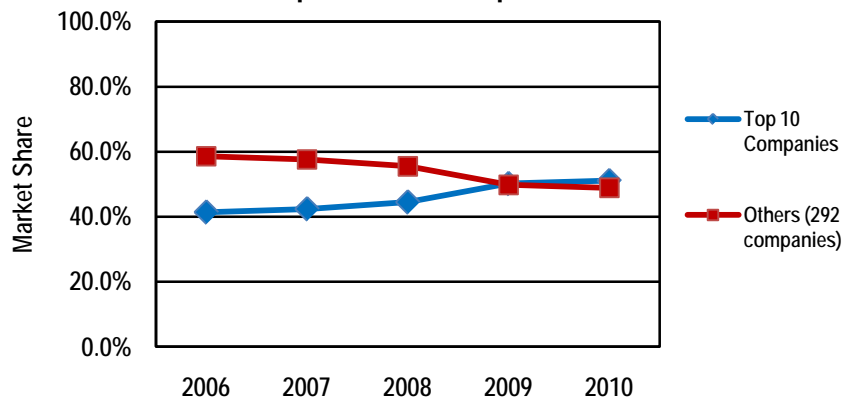
Top 10 Home Insurance Companies



Top 10 Life Insurance Companies

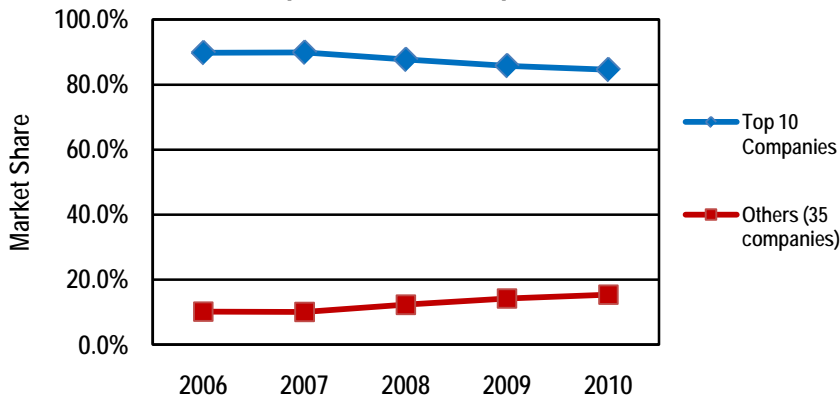
Metropolitan Life Ins Co	8.6%
Northwestern Mutual Life Ins Co	7.6%
John Hancock Life Ins Co	6.5%
Guardian Life Ins Co of America	4.9%
Savings Bank Life Ins Co of MA	4.8%
New York Life Ins Co	4.2%
Lincoln National Life Ins Co	4.2%
MA Mutual Life Ins Co	3.7%
New York Life Ins & Annuity Co	3.6%
Prudential Ins Co of America	3.2%

Top 10 Life Companies



* Most health insurance is offered through Health Maintenance Organizations (HMOs). For HMO market share data, see appendix C-20

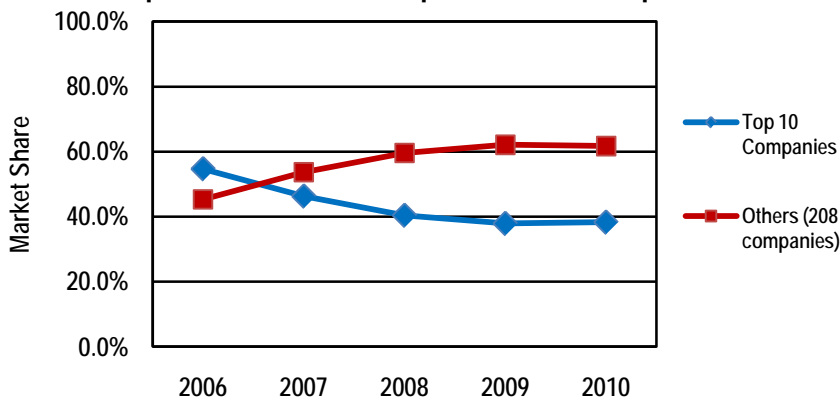
Top 10 Auto Companies



Top 10 Auto Insurance Companies

Commerce Ins Co	28.2%
Safety Insurance Co	11.2%
Liberty Mutual Ins Co	10.3%
Arbella Mutual Ins Co	8.9%
Plymouth Rock Assurance Co	5.5%
Premier Ins Co of MA	5.1%
Metropolitan Property & Casualty Ins Co	5.1%
Amica Mutual Ins Co	3.5%
Citizens Ins Co of America	3.4%
Progressive Direct Ins Co	3.4%

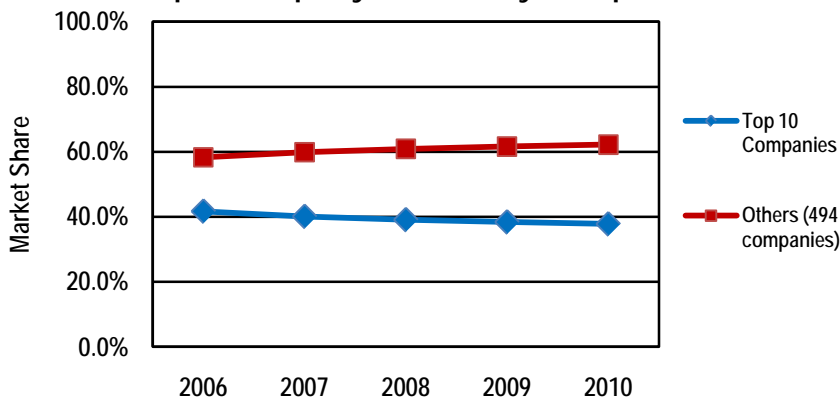
Top 10 Workers' Compensation Companies



Top 10 Workers' Compensation Companies

Associated Industries of MA Mutual Ins	5.9%
New Hampshire Ins Co	4.9%
National Union Fire Ins Co of Pittsburgh	4.3%
Twin City Fire Ins Co	3.9%
Travelers Indemnity Co	3.8%
Liberty Ins Corp	3.3%
Atlantic Charter Ins Co	3.0%
Liberty Mutual Fire Ins Co	2.9%
Insurance Co of the State of PA	2.8%
Ace Property & Casualty Ins Co	2.8%

Top 10 Property & Casualty Companies



Top 10 Total Property & Casualty Companies

Commerce Ins Co	11.9%
Safety Ins Co	4.9%
Liberty Mutual Ins Co	4.8%
Arbella Mutual Ins Co	4.5%
Metropolitan Property & Casualty Ins Co	2.5%
Federal Ins Co	2.2%
Plymouth Rock Assurance Co	2.0%
Amica Mutual Insurance Co	1.9%
Premier Ins Co of MA	1.9%
National Union Fire Ins Co of Pitt.	1.8%

Who is "High Risk?"

- Individuals or businesses with poor loss records
- Businesses or professions where the nature of the work is hazardous or where the risk of lawsuits is high
- Specific locations where the risk of theft, vandalism or severe storm damage is high

Residual Markets

Insurance applicants who are considered "high risk" may have difficulty obtaining insurance through the regular "voluntary" market channels. To make basic coverage more readily available to everyone who wants or needs insurance, special insurance plans - known as residual, shared or involuntary markets - have been set up by state regulators working with the insurance industry.

The two most common ways of structuring a residual market are through an assigned risk plan and through pooling. Under an assigned risk model, each individual or business policyholder (risk) is assigned to a participating company. Risks are usually assigned to insurers based on each company's market share. The assigned carrier then owns that risk and services the policy much like they do for voluntary business. The assigned risk plan might set the premium or restrict the policy features available to involuntary policyholders, but the billing and claims functions operate through the insurer's own internal systems.

Under the pool model, all of the insurers offering a particular type of insurance coverage form an association. High risk individuals and businesses that cannot obtain coverage in the voluntary market may obtain a policy from one or more private insurers who function as servicing carriers for the association. The servicing carrier handles the underwriting, billing, and claims handling for all policies insured on behalf of the association. In a process invisible to the policyholder, premiums, losses, and expenses are shared by all companies in the association in proportion to their market share.

Massachusetts Residual Markets

Residual markets exist for five types of insurance in Massachusetts. The residual markets for personal auto and workers compensation are both administered as assigned risk plans. The residual markets for medical malpractice and commercial auto are administered as reinsurance pools with multiple servicing carriers. The residual market for home insurance is administered as a pool with a single servicing carrier.

For each of these residual markets, the Division serves as the primary oversight and the Commissioner typically appoints individuals to the governing bodies of these associations. The governing bodies of each residual market promulgate rules of operation subject to the approval of the Commissioner. Residual market mechanisms undergo financial and market conduct examinations just as individual companies do.

Commercial Automobile

Businesses that cannot obtain insurance for vehicles used in their business can obtain insurance through one of several designated insurers called servicing carriers. These companies issue and service policies and settle claims just as they would in the voluntary market. The companies that do not service this business agree to pay their fair share of the servicing carriers' servicing expenses and financial losses on this business.

Home

If no licensed insurance company is willing to write coverage for a particular home, the owner may apply to the Massachusetts Property Insurance and Underwriting Association (MPIUA or FAIR plan) for a home insurance policy. The FAIR plan offers coverage to homes with replacement values up to \$1 million. For homes with higher replacement values, coverage is available through the surplus lines market. All profits and losses of the FAIR plan are allocated to each member of the MPIUA according to market share.

Personal Automobile

Any driver who cannot obtain a personal auto policy in the voluntary market can apply for coverage through the Massachusetts Automobile Insurance Plan (MAIP). The MAIP then assigns the new policy to a private passenger insurance company based on its market share. Once the policy is assigned, the company has total responsibility for that policy – from billing and servicing to settling claims.

Other Lines

The workers compensation assigned risk pool allows writers of this line of insurance to choose their manner of participation. All companies may participate financially in pool profits/losses for those pool risks being handled by "servicing carriers" which act like third party administrators for the pool. However, companies that are capable of handling pool employers on their own may opt out of this financial participation by taking random assignments of policies instead. In either case, participation is determined based on each writer's share of the total voluntary market. Medical malpractice operates as a reinsurance facility where a company may cede a policy to the facility.

Residual Markets

Commercial Automobile

Structure:	Pool
Share of Market:	15.1%
2010 Premium:	\$92.1 m

Home (FAIR Plan)

Structure:	Pool
Share of Market:	14.7%
2010 Premium:	\$259.6 m

Personal Automobile

Structure:	Assigned
Share of Market:	2.7%
2010 Premium:	\$157.5m

Workers' Compensation

Structure:	Assigned
Share of Market:	11.3%
2010 Premium:	\$128.2 m

Medical Malpractice

Structure:	Pool
Share of Market:	1.4%
2010 Premium:	\$2.5 m

2 – Insurance Spotlight: Health Insurance

2.1 Changes for Health Insurance in 2010

Health insurance is probably the most universally held line of insurance among Massachusetts residents. The state's health care reform of 2006 led the nation in ensuring meaningful coverage for the costs of health care for nearly every resident in the Commonwealth. Every resident must have minimum levels of health insurance and all employers with 11 or more employees must contribute to the cost of health care or be subject to tax or other penalties.

The state's groundbreaking health reforms brought about significant changes to some portions of the health insurance marketplace. Meanwhile, like the rest of the nation, we have had to struggle with spiraling health care costs and their effect on the health insurance markets. By late 2009, one portion of the health insurance marketplace – policies for individuals and small groups – underwent great stress as tough economic times combined with dramatically rising premiums to push scores of small businesses to the brink.

As 2009 drew to a close, the Division of Insurance initiated a series of regulatory efforts to deal with the crisis in this market. In order to fully understand these changes, it helps to understand the overall structure of health insurance and how it is regulated.

What Does the Division of Insurance Regulate?

It can be useful to think of the health care delivery system as a patchwork quilt. The quilt is made up of many different health insurance systems which fund health care in varying ways based on the individuals or employers covered. Most lines of insurance have a relatively straightforward regulatory framework. For example, automobile insurance is sold by private insurance companies directly to individual policyholders and it is regulated by state law. Health care costs, on the other hand, are funded in the U.S. through a combination of public programs and private insurance plans sold directly to individuals or indirectly through businesses and other groups. The rules and regulations that cover the various health insurance products can be state-based, federal-based, or in some cases, a combination of both.

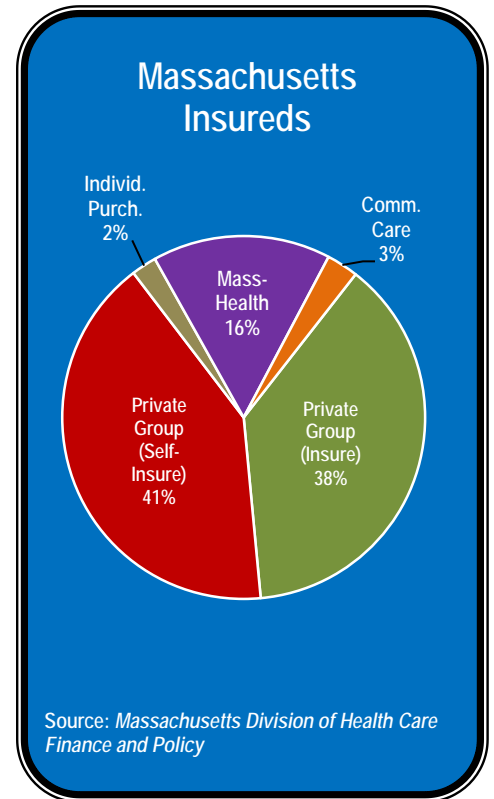
A survey of your own neighborhood would probably illustrate the different parts of the healthcare quilt:

- The retired couple down the street is covered by Medicare – a completely public program created and administered by the federal government.

- The family across the street receives private health insurance as a benefit of one parent's employment at a large company. The insurer is regulated by the state, but premiums do not require approval by the Commissioner. Most of the premium is paid by the employer.
- The young woman down the road who lost her job in 2009, and whose income falls below certain state standards, receives subsidized health insurance through the state's Commonwealth Care program, which is partly funded by federal Medicaid funding.
- The real estate agent who helped you find your house buys her own health insurance as an individual in a market offering coverage to individuals and employers with less than 50 employees. Her insurer is regulated by the state and the rates they charge must be reviewed by the Division of Insurance.

Moving up and down the streets of your town would illustrate many other combinations of products, funding and state/federal regulation. Understanding health insurance starts with understanding the various parts of the overall quilt. We can divide our health care quilt three ways:

- The specific group of people covered by a plan – *e.g.* workers, retirees, the unemployed, etc.
- Public health coverage programs versus products offered by private insurance carriers.
- Rates or rules controlled by either federal or state law.



		Age 65+	Low Income	Children	Unemployed	Self-Funded Large Groups	Insured Large Groups	Small Groups & Individuals
Public Programs	Federal Rules	Medicare Rules & rates set by CMS	Medicaid Rules & rates set by both CMS and MassHealth					
	MA Rules		MassHealth Rules & rates set by CMS and MassHealth Commonwealth Care Rules and rates set by Connector	MassHealth Rules & rates set by CMS and MassHealth Commonwealth Care Rules and rates set by Connector	Medical Security Plan Health insurance for recently unemployed Rules set by Dept. of Labor			MA Insurance Partnership Assistance for small employers Rules set by MassHealth
Private Plans	Federal Rules	Medicare Advantage Rules & rates set by CMS		Children's Health Insurance Plans Rules set by CMS and MassHealth	Private Plans (COBRA) Rules that allow persons to pay to continue old group coverage after loss of job	Private Plans (ERISA) No rate review or rules since they are exempt from state insurance law	Private Plans (HIPAA) Rules allow guaranteed access to coverage when changing jobs	Private Plans (HIPAA) Rules allow guaranteed access to coverage when changing jobs
	MA Rules	Medicare Supplement Rules set by DOI within CMS framework Rates approved by DOI		Extended Coverage for Dependents Allows children under 26 to stay on policy beyond COBRA rules	Private Plans (mini-COBRA) Rules that allow persons to pay to continue old group coverage after loss of job		Private Plans Rates reviewed by DOI	Private Plans Special marketing rules and rates reviewed by DOI

The High Cost of Health Care Coverage

Health insurers develop premiums by first making projections about three basic costs: (1) payments to providers for health care services, (2) the cost of operating and administering the plan, and (3) contributions to reserves to protect solvency. Premiums will vary among individuals and groups based on the benefits in the plan and the network of health care providers available to plan subscribers. Premiums for large employers will also vary based on the past claims experience for those covered. If a company does not set premiums high enough to cover its costs, it may become insolvent and unable to pay the bills owed to health care providers.

In order to keep costs low, many employers offer their employees a health benefit plan in which non-emergency care is only provided through a network of health care providers. In order to join the network, these providers agree to follow health plan processes and accept specifically negotiated rates. Employers also may choose to keep costs lower by increasing the employee's contribution to premium or cost-sharing (e.g. deductibles and co-payments). Despite these measures, costs are increasing in ways that have become too high for many employers.

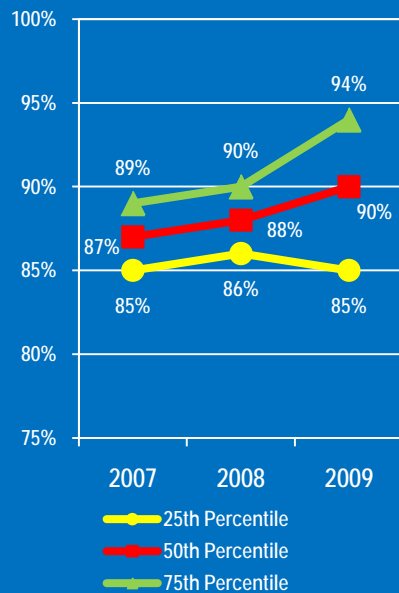
When considering the overall cost of coverage, some analysts look at medical loss ratios. This ratio is the proportion of premiums charged compared to payments to providers. A medical loss ratio of 80% means that for every dollar the insurer charges in premium, 80 cents is paid to providers. Most Massachusetts insurance companies have high medical loss ratios compared to other parts of the country. In 2009, the median ratio for insurers in the Commonwealth was 90%. Over the last several years, premiums have increased dramatically, but medical loss ratios in both the large group and small group markets have remained high. The Division's special hearings on rate increases in the small group market - described later in this report - were largely aimed at examining the reasons why the costs underlying those premiums have been increasing so dramatically.

Changes in 2010

Special hearings were the start of a process that brought dramatic change in the small group and individual market. In the Statistical Rating & Regulatory Control section of this report, you will read details about:

- A statutory presumption against any rate filing in which administrative expenses increased more than the medical rate of inflation.
- The creation of group purchasing cooperatives that will allow small businesses to band together and negotiate for better group rates
- A mandate that companies with closed network plans in the small group and individual market offer limited-network products that must be at least 12% cheaper than the insurer's complete network product.
- Limited open enrollment periods for individuals to reduce individuals leaving employer-based coverage and entering the individual market for a limited time in order to obtain more generous benefits.

Trends in Medical Loss Ratios



Source: Massachusetts Division of Health Care Finance and Policy

More Change to Come

More changes are coming in 2011 - many focusing on reducing health care costs, and others reacting to new federal health care reform requirements.

- **Reduce Payer and Provider Administrative Costs**

The Division will continue to work with payers and providers to document standards for functions such as credentialing providers, verifying insured eligibility, authorizing payment of services, and processing provider appeals. The Division will also work with other state agencies to identify additional areas for administrative simplification.

- **Lower Cost Options for the Small Group Market**

The Division will implement the 2010 legislative changes that created group purchasing cooperatives and limited-tiered networks. The Division will issue regulations governing these new innovative products and oversee the products' development and issuance.

- **Control Health Insurance Premiums**

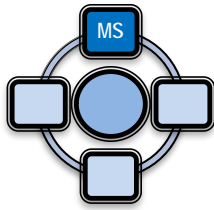
The Division will continue to review premiums for the merged market, focusing on the use of disapproval standards and concentrating on payers' payments to providers. Cost control strategies being considered by the Division and other agencies include the denial of carriers' premium increase requests if a carrier's provider payment schedule is unreasonable or excessive, and the use of innovative payment methodologies combined with the establishment of Accountable Care Organizations (ACOs). Legislation also may be considered to increase the Commissioner's powers over reimbursement rates and provide for medical malpractice reform.

- **Reduce Utilization by Encouraging Healthier Lifestyles**

The Division, along with several other state agencies, will encourage the use of wellness programs. In its review of applications for group purchasing cooperatives, the Division will favorably consider applications that include robust and meaningful wellness programs that are designed to help insureds stay healthy and thereby reduce utilization of costly health services. The Connector and the Group Insurance Commission will also provide for wellness programs within their respective areas of responsibility.

- **Align with the Requirements of the Federal Patient Protection and Affordable Care Act (PPACA)**

The Division will continue to work to align its review policies with PPACA requirements and will also continue to work with other state agencies to identify additional areas that may need to be aligned with the PPACA.



3 – Monitor Solvency





3.1 Purpose

The Division closely monitors the financial health of insurance companies so that these companies will always have the financial resources to pay out the benefits promised in their policies. A quarterly financial analysis of every insurance company domiciled in Massachusetts establishes an up-to-date measure of fiscal health. This process provides an early warning of possible financial problems so that appropriate regulatory action can be taken before the extreme situation of an insolvency. The monitoring process also includes periodic on-site, statutory financial examinations of all domestic carriers to assure the reasonableness of reported assets and liabilities to verify compliance with applicable statutes and regulations.

The Division monitors insurer solvency through two primary activities:

- Financial Examinations – Periodic statutory examinations of Massachusetts domestic insurers are conducted in order to assure the financial health of these companies and thereby protect consumers purchasing insurance products.
- Financial Surveillance – The review of quarterly financial statements and annual company statements, along with the use of comprehensive desk audits monitor the financial solvency of insurers participating in the Massachusetts domestic insurance marketplace in order to provide a healthy and competitive insurance market.

3.2 2010 Goals for Monitoring Solvency

- | | |
|--|--|
| <ul style="list-style-type: none"> • Conduct statutory financial examinations of domestic insurance companies in order to ensure that policyholders' and claimants' rights are protected and fulfilled, and that insurance consumers can do business with financially solvent companies. | <p>Complete </p> |
| <ul style="list-style-type: none"> • Conduct statutory financial examinations in accordance with the NAIC Financial Condition Examiners Handbook to ensure that the examinations follow a substantive "risk-focused" examination approach. | <p>Complete </p> |
| <ul style="list-style-type: none"> • Monitor the solvency of all insurance companies domiciled in the Commonwealth of Massachusetts. Complete quarterly and annual analyses of all files within the deadlines delineated in the NAIC Accreditation Guidelines. Hold annual meetings with senior company management, audit committees, and boards of directors. | <p>Complete </p> |
| <ul style="list-style-type: none"> • Maintain Accreditation by the National Association of Insurance Commissioners (NAIC). The NAIC Accreditation program provides a process whereby solvency regulation of multi-state insurance companies can be enhanced and adequately monitored with an emphasis on: adequate solvency laws and regulations in place to protect consumers as well as guarantee funds; effective and efficient financial analysis and examination processes; and, appropriate organizational and personnel practices. | <p>Complete </p> |

2010 Examinations

Life, Accident & Health Insurers	4
Property & Casualty Insurers	15
Fraternal Organizations	1
Health Organization	3
Other	1

3.3 Financial Examinations

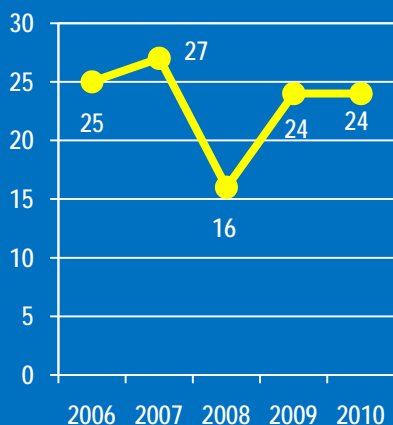
Financial examinations are conducted in accordance with standards established by the Financial Condition (E) Committee of the NAIC, as well as with the requirements of the NAIC Financial Condition Examiners Handbook, the Division's own examination standards and Massachusetts General Laws. The principal focus of an examination is the most recent calendar year's activity. However, transactions both prior and subsequent to the "as of" examination date are reviewed as deemed appropriate.

In addition to a review of the financial condition of the insurer, the examination includes a review of the company's:

- Business policies and practices
- Corporate records
- Reinsurance programs
- Conflict of interest disclosure statements and corporate governance
- Fidelity bonds and other insurance
- Employee pension and benefits plans
- Disaster recovery plan
- Treatment of policyholders

In addition to this list, the review also includes other pertinent matters in order to provide a reasonable assurance that the company is in compliance with applicable laws, rules and regulations. In planning and conducting an examination, consideration is given to the concepts of materiality and risk, and examination efforts are directed accordingly.

Five Year Trends: Completed Examinations



In 2010, the Division completed routine statutory examinations of 24 insuring organizations. These companies produced \$6.3 billion in premium nationwide - \$5.7 billion in Massachusetts. In addition to conducting a complete statutory financial examination, the Division also continued its special purpose examinations of domestic managed care organizations to evaluate their premium rate setting processes.

The NAIC Financial Regulation Standards & Accreditation (F) Committee has a standard known as the "18 Month Rule." This standard establishes a general rule that comprehensive financial examinations conducted by state insurance departments should be completed and reports issued within eighteen months of the "as of" date of the examination. Exceptions to this rule are permitted for reasonable justification and an extension of up to twenty-two months is allowed before the state is required to roll the "as of" date of a re-initiated exam forward one year.

The Division conducted 21 full-scope financial examinations with an "as of" date of December 31, 2008. All of these examinations were completed by June 30, 2010, within the "18 Month Rule" timeframe noted above. Twenty-one insurance examinations were in progress at year's end, representing \$26.3 billion in premium nationwide - \$8.0 billion in Massachusetts.

Examinations Reports Issued in 2010			
	US Direct Premium	MA Direct Premium	Surplus
Property & Casualty Insurers			
AIM Mutual Ins. Co. (AIM Group)	\$69,221,000	\$61,682,000	\$124,170,000
Associated Employers Ins. Co. (AIM Group)	\$16,037,000	\$16,037,000	\$3,811,000
MA Employers Ins. Co. (AIM Group)	\$11,907,000	\$11,907,000	\$3,255,000
Employers Security Assur.. Co. (AIM Group)	\$608,000	\$608,000	\$3,051,000
Encompass Insurance Co. (Allstate Group)	\$93,377,000	\$93,377,000	\$6,027,000
Citation Ins. Co. (Commerce Group)	\$116,191,000	\$116,191,000	\$114,799,000
Commerce Ins. Co. (Commerce Group)	\$1,345,190,000	\$1,335,297,000	\$977,828,000
Danbury Insurance Company (Hingham Group)	\$7,371,000	\$557,000	\$7,628,000
Hingham Mutual Insurance Co. (Hingham Group)	\$43,870,000	\$30,924,000	\$39,848,000
Medical Professional Mutual Ins. Co. (ProMutual Group)	\$136,945,000	\$136,945,000	\$612,105,000
ProSelect Insurance Co. (ProMutual Group)	\$169,097,000	2,388,000	\$21,365,000
Safety Insurance Co.	\$499,074,000	\$499,041,000	\$560,462,000
Safety Property and Casualty Insurance Co.	\$2,112,000	\$2,109,000	\$12,663,000
Safety Indemnity Insurance Co.	\$72,323,000	\$72,315,000	\$39,280,000
United Casualty & Surety Ins. Co.	\$2,959,000	\$2,598,000	\$4,113,000
Health Insurers			
Neighborhood Health Plan	\$844,059,000	\$844,059,000	\$268,261,000
Tufts Associated HMO, Inc.	\$2,242,061,000	\$2,242,061,000	\$446,326,000
Tufts Insurance Company	\$55,723,000	\$55,723,000	\$15,006,000
Life, Accident & Health Insurers			
Assumption Mutual Life Ins. Co.	\$289,000	\$199,000	\$10,563,000
The Paul Revere Life Ins. Co. (Paul Revere Group)	\$348,449,000	\$13,791,000	\$340,303,000
The Paul Revere Var. Annuity Ins. Co (Paul Revere Group)	\$5,098,000	\$268,000	\$36,851,000
Savings Bank Life Ins. Co. of MA	\$219,751,000	\$170,087,000	\$158,192,000
Fraternal Organizations			
Supreme Council of the Royal Arcanum	\$3,215,000	\$278,000	\$10,849,000
Other			
Commonwealth Automobile Reinsurers	\$0	\$0	\$0
TOTALS	\$6,304,927,000	\$5,708,442,000	\$3,816,756,000

Examination in Progress 12/31/2010			
	US Direct Premium	MA Direct Premium	Surplus
Property & Casualty Insurers			
Bay State Insurance Co. (Andover Group)	\$28,038,000	\$0	\$197,161
Cambridge Mutual Fire Ins. Co. (Andover Group)	\$108,049,00	\$33,585,000	\$314,093,000
Dorchester Mutual Ins. Co. (N&D Group)	\$22,876,000	\$20,751,000	\$29,404,000
Fitchburg Mutual Ins. Co. (N&D Group)	\$28,395,000	\$12,626,000	\$41,604,000
Liberty Mutual Ins. Co. (LM Group)	\$3,521,698,000	\$422,443,000	\$12,491,553,000
Liberty Mutual Mid-Atlantic Ins. Co. (LM Group)	\$155,682,000	\$0	\$15,707,000
Liberty Mutual Personal Ins. Co. (LM Group)	\$0	\$0	\$4,680,000
Merrimack Mutual Ins. Co. (Andover Group)	\$275,971,000	\$143,637,000	\$579,007,000
Montgomery Mutual Ins. Co. (LM Group)	\$41,119,000	\$0	\$43,729,000
New England Mutual Ins. Co. (QM Group)	\$0	\$0	\$20,900,000
Norfolk & Dedham Fire Ins. Co. (N&D Group)	\$96,786,000	\$92,644,000	\$143,214,000
Quincy Mutual Fire Ins. Co. (QM Group)	\$174,107,000	\$254,717,000	\$709,065,000
Health Insurers			
Blue Cross Blue Shield of MA, Inc.	\$1,820,996,000	\$1,820,996,000	\$723,896,000
Blue Cross Blue Shield of MA HMO Blue, Inc.	\$3,942,004,000	\$3,942,004,000	\$705,830,000
Health New England Inc.	\$306,259,000	\$306,259,000	\$41,660,000
Massachusetts Vision Service Plan	\$17,704,000	\$17,704,000	\$15,027,000
Life, Accident & Health Insurers			
Commonwealth Annuity and Life Ins. Co.	\$169,260,000	\$7,721,000	\$453,336,000
First Allmerica Financial Life Ins. Co.	\$157,435,000	\$1,292,000	\$151,923,000
Massachusetts Mutual Life Ins. Co.	\$13,682,402,000	\$916,060,000	\$8,462,931,000
Primerica Life Ins. Co.	\$1,722,227,000	\$36,734,000	\$1,703,095,000
Other			
Massachusetts Property Insurance Underwriting Association	\$0	\$0	\$0
TOTALS	\$26,271,008,000	\$8,029,173,000	\$26,847,815,000

Other Insurance Entities

In addition to examining traditional insurance companies, the Division also conducts periodic examinations of domestic self-insured groups, residual market mechanisms and over 150 fraternal benefit and mutual aid societies.

Special Brokers Tax Collection

The Division collects state taxes on the Excess and Surplus Lines business written by Special Brokers licensed in Massachusetts. Collections in calendar year 2010 for business written in calendar year 2009 totaled \$22.5 million on written premium of \$563.2 million.

Life Company Certification and Valuation Fees Collection

At the end of each calendar year, Division financial examiners are charged with compiling the actuarial valuations of insurance reserves of Massachusetts-domiciled life insurance companies as described in the annual financial statements and the actuarial reserve exhibits. These valuations are reviewed in context with the actuarial opinions provided by the companies, including asset adequacy testing required on these reserves. The Division then issues a certification of the company's entire reserve liability. Under Massachusetts law, the companies are required to pay fees for the annual valuation process and for the certificates issued. Valuation and certification fees billed in 2010 amounted to \$559,000.

3.4 Financial Surveillance

The Financial Surveillance Section monitors the solvency of domestic and foreign (domiciled in another state) insurance companies. There are currently 1,493 insurance companies licensed, authorized, or eligible to transact insurance business in the Commonwealth. Included in this number are:

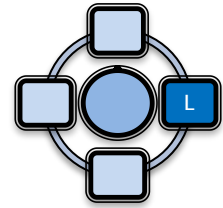
- Life insurers
- Accident and health insurers
- Property & casualty insurers
- Health maintenance organizations
- Non-profit hospital and medical service corporation
- Dental service plans
- Vision service plans
- Fraternal benefit societies
- Title insurers
- Risk retention groups
- Self-insurance groups
- Surplus lines insurers
- Eligible alien unauthorized insurers
- Reinsurers
- Home warranty contract providers
- Viatical settlement companies

As of December 31, 2010, there were 90 insurance companies domiciled in Massachusetts. Of the 90 Massachusetts domestic insurers, there were 52 property & casualty insurers, 15 life insurers, 18 health insurers, 3 title insurers and 2 fraternal benefit societies. These insurers wrote gross premiums of approximately \$57 billion during 2010.

A comprehensive desk audit of each of these Massachusetts domestic companies was completed by an analyst and reviewed by a manager in 2010. These desk audits consist of over 20 detailed analyses for each company. The analyses include an in-depth review of the Annual Statement including the investment portfolios, the reinsurance portfolios, reserving analysis, income statement, cash flows statement, and balance sheet. Additionally, the Statement of Actuarial Opinion, the Management's Discussion & Analysis, Holding Company filings and independent CPA Audit are reviewed in great detail. Lastly, each domestic insurer files a quarterly statement similar to the Annual Statement for review. These various tasks help the Division closely monitor the solvency of the company. The national ratings of each domestic insurer are monitored and tracked as well.

The health care industry and the associated rate change requests filed in early 2010 resulted in closer monitoring of the financial health of the entire health care industry in Massachusetts. Additional oversight of individual companies, and the industry as a whole, continues in 2011.

4 – Licensing of Companies & Individuals



4.1 Purpose

The Division creates and maintains an orderly insurance marketplace by licensing its participants – insurance companies, insurance producers and other key participants in the market. The review and analysis of insurer filings and financial statements promotes a marketplace of solvent, fiscally sound insurance companies. The process of licensing producers and other entities in the insurance industry ensures a marketplace where individuals and firms conducting the business of insurance are qualified and that they conduct business within the requirements of the laws and regulations of the Commonwealth.

The Division's licensing function is divided between companies and individuals\business entities.

- Company Licensing – Insurance companies may not do business in Massachusetts without an active license. The Division reviews and processes all applications from insurers seeking to obtain or amend licenses to transact insurance business in the Commonwealth.
- Producer Licensing - The Division is also responsible for the licensing of all individuals and business entities in the business of insurance in the Commonwealth. The Division processes all new license applications and renewal applications associated with more than 10 license types. All insurers who appoint licensed producers annually must renew or non-renew their appointments.

4.2 2010 Goals for the Licensing of Companies & Individuals\Business Entities



Complete

- Process license applications - including license amendment applications from insurance companies seeking to do insurance business in the Commonwealth to provide for a solvent and competitive insurance market.



Complete

- Oversee insurance company transactions and practices such as demutualizations, issuance of surplus notes, surplus note interest payments, ordinary and extraordinary dividend requests, mergers & acquisitions, mutual affiliations, quasi-reorganizations, additional reserving requirements, corporate governance practices, and the creation of new Massachusetts domestic insurers.



Complete

- Expand upon the Division's Producer Licensing Internet page for Individual and Business Entity licensing, by providing an up-to-date Frequently Asked Questions section.



Complete

- Ensure that the Online Producer Appointment (OPRA) renewal website used by insurers is operational by the end of August, with insurers renewing within 45 days. The OPRA site went live on August 26th, 2010.



Complete

- Collaborate with an external examination vendor to develop a continuing education tracking system for both Insurance Producers and Public Insurance Adjusters.



Complete

- Begin the new online licensing project with the National Insurance Producer Registry (NIPR), by re-writing the licensing business rules for individual and business entity producers, as well as for residents and non-residents. The Business Rules now include new licensing requirements for all licensees.

4.3 Company Licensing

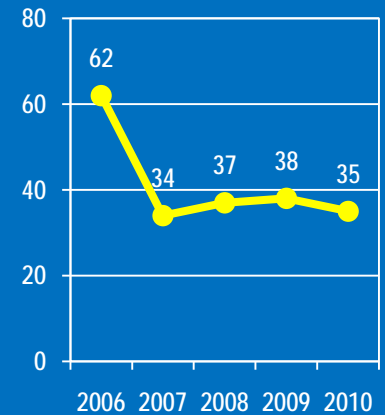
The Division of Insurance reviews and processes all applications from insurers seeking to obtain or amend licenses to transact insurance business in the Commonwealth.

The Division evaluates license and amended license applications for companies desiring to establish or expand an insurance business in Massachusetts in accordance with Massachusetts law and regulations. The Division participates in the NAIC Uniform Certificate of Authority Application (UCAA) process, which consists of fourteen parts that allow the Division to review the applicant's solvency, management team, and experience in the insurance industry. Information compiled by the NAIC, as well as input from the domestic regulators, also have a part in the review process.

The Division is involved in several types of transactions on a regular basis with the domestic insurance industry. Each transaction is analyzed individually with a recommendation by the analyst, supervising analyst, and decided by the Commissioner when appropriate. These transactions include the following:

- Extraordinary and ordinary dividend requests
- Surplus note interest payment request and payment of principal requests
- Changes in the Articles of Organization for insurance companies resulting in Restated or Amended Articles
- Potential changes within the holding company of Massachusetts domestic insurers that could lead to changes in control, IPO's, etc.

Five Year Trends:
New Licenses



Five Year Trends:
Amended Licenses



New Licenses, Authority or Eligibility		
Property & Casualty Insurers		Title Insurers
Argonaut Great Central Insurance Co mpany	Service Insurance Company	North American Title Insurance Company
CampMed Casualty & Indemnity Co Inc of MD	Southwest Marine & General Insurance Company	Westcor Land Title Insurance Company
Censtat Casualty Company	SureTec insurance Company	Surplus Lines
Colony Specialty Insurance Company	United Wisconsin Insurance Company	AIX Specialty Insurance Company
Foremost Signature Insurance Company	Universal Property & Casualty Insurance Company	Companion Specialty Insurance Company
Indiana Lumbermans Mutual Insurance Company	Life, Accident & Health Insurers	Hallmark Specialty Insurance Company
Key Risk Insurance Company	Eagle Life Insurance Company	Kinsale Insurance Company
LM Personal Insurance Company	Accredited Reinsurers	Merchants National Insurance Company
Lyndon Southern Insurance Company	Columbia Insurance Company	Fraternal Benefit Societies
Nationwide Agribusiness Insurance Company	Farm Bureau Mutual Insurance Company of MI	Catholic Knights
OneCIS Insurance Company	Genworth Mortgage Reinsurance Corporation	Eligible Alien Unauthorized Insurers
Privilege Underwriters Reciprocal Exchange	Ironshore Specialty Insurance Company	International Insurance Company of Hanover Ltd
Security National Insurance Company	Partner Reinsurance Company Ltd	
Sentrulty Casualty Company	Rockingham Mutual Insurance Company	
Amended Licenses		
Property & Casualty Insurers		
ACE Indemnity Insurance Company	Foremost Insurance Company	Securian Casualty Company (1/4/10)
AGCS Marine Insurance Company	Foremost Property & Casualty Insurance Company	Securian Casualty Company (2/2/10)
American Alternative Insurance Corp	GEICO Casualty Company	Tokio Marine & Nachido Fire Insurance Company
American Fire & Casualty Company	Hospitality Mutual Insurance Company	Transguard Insurance Company of America Inc
AmGUARD Insurance Company	Liberty Mutual Personal Insurance Company	Travelers Personal Security Insurance Company
Allianz Global Risk US Insurance Company	Markel American Insurance Company	Virginia Surety Company Inc
Arch Insurance Company	Memic Indemnity Company	West American Insurance Company
Argonaut Insurance Company	Ohio Security Insurance Company	XL Specialty Insurance Company
Berkley National Insurance Company	Ohio Casualty Insurance Company	
Berkley Regional Insurance Company	Plymouth Rock Assurance Casualty Corp	Life, Accident & Health Insurers
Central States Indemnity Company	RLI Insurance Company	OM Financial Life Insurance Company
Chubb National Insurance Company	Safety National Casualty Corp	Nationwide Life & Annuity Insurance Company

Notable Transactions

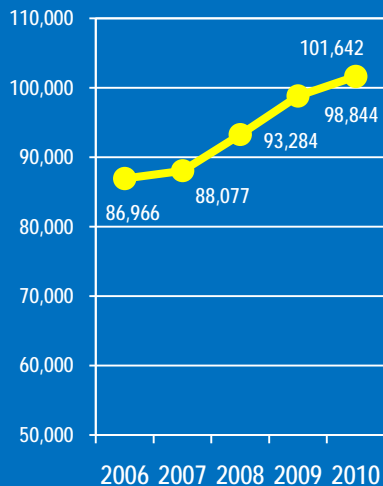
There were several changes to the composition of the Massachusetts domestic insurance market during 2010. These included the following:

- **Liberty Mutual Mid-Atlantic Insurance Company**
Liberty Mutual Mid-Atlantic Insurance Company redomesticated from Pennsylvania into Massachusetts effective June 8, 2010.
- **Montgomery Mutual Insurance Company**
Montgomery Mutual Insurance Company redomesticated from Maryland into Massachusetts effective June 8, 2010.
- **Eastern Casualty Insurance Company**
Eastern Casualty Insurance Company placed in receivership on May 12, 2009, was placed in Liquidation on June 9, 2010.
- **Liberty Life Assurance Company of Boston**
Liberty Life Assurance Company of Boston redomesticated from Massachusetts to New Hampshire effective July 1, 2010.
- **Massachusetts Homeland Insurance Company**
Massachusetts Homeland Insurance Company, a member of the OneBeacon Group, was acquired by the Tower Group which is the parent of another Massachusetts domestic insurer, Tower National Insurance Co. The acquisition was effective July 1, 2010.
- **Hingham Mutual Fire Insurance Company & Danbury Insurance Company**
Hingham Mutual Fire Insurance Company, and its subsidiary Danbury Insurance Company entered into a mutual affiliation with New London County Mutual Insurance Company resulting changes at the Board for both companies. This transaction was effective August 19, 2010.
- **Assumption Mutual Life Insurance Company**
Assumption Mutual Life Insurance Company surrendered their Certificate of Authority effective December 24, 2010.
- **CIGNA HealthCare of Massachusetts, Inc.**
CIGNA HealthCare of Massachusetts, Inc. decided to not renew their license after December 31, 2010.

License Types

- Producers
- Advisers
- Auto Clubs & Auto Club Agents
- Bank Insurance Licenses
- Public Insurance Adjusters
- Reinsurance Intermediaries (brokers & managers)
- Surplus Lines Brokers
- Viatical Settlement or Loan Brokers
- Viatical Representatives
- Motor Vehicle Damage Appraisers

Five Year Trends: Total Licensing Volume



4.4 Producer Licensing

The Division of Insurance is responsible for the licensing of all individual and business entities in the business of insurance. We issue Certification Letters, Clearance Letters, duplicate or replacement licenses, and respond to public record requests involving active and inactive licensees. In addition, the Division is also responsible for assuring that all insurers who appoint licensed producers renew or non-renew their appointments on an annual basis.

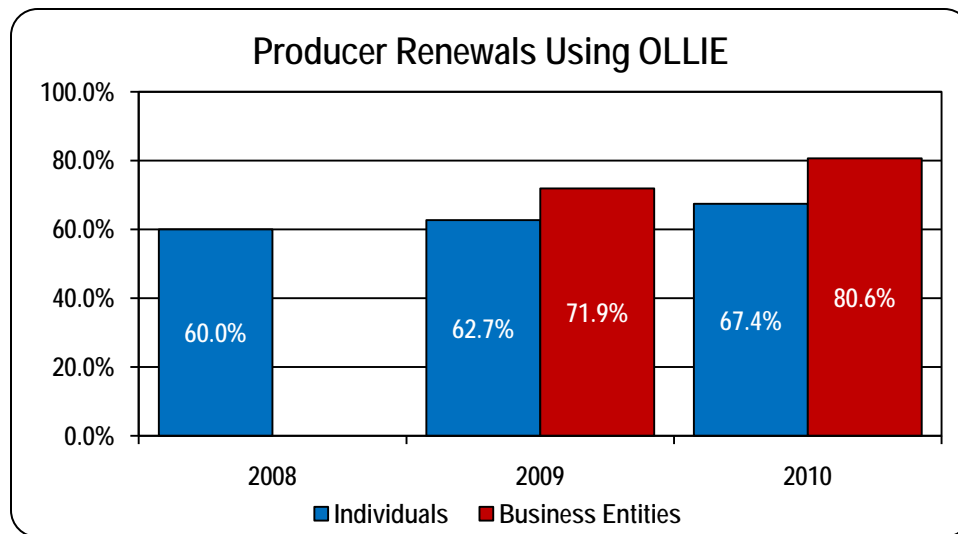
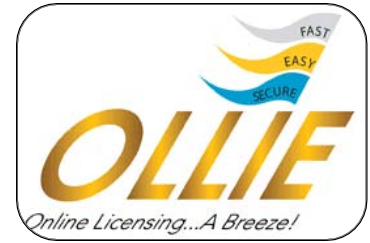
In particular, the Division processes all new license applications and renewal applications associated with more than 10 license types.

Licensing Volume

	2008	2009	2010
Producers (Individual & Business)	84,518	90,171	93,743
Motor Vehicle Damage Appraisers	5,290	5,216	4,958
Surplus Lines Brokers	1,808	1,903	1,647
Public Insurance Adjusters	231	249	246
Insurance Advisors	592	578	520
Viatical Settlement or Loan Brokers	36	46	31
Reinsurance Intermediaries	124	116	130
Auto Clubs	24	26	23
Auto Club Agents	661	539	344

Online Licensing of Individuals and Entities - OLLIE

OLLIE is an online insurance licensing system that offers individual insurance producers and business entity producers the opportunity to renew their licenses and update their profiles online. In 2008, the Division participated in the development and design of OLLIE Phase II, which provided business entities with the ability to renew online. The goals of the project were met, and in 2009 there was an adoption rate of 71.72%. One year later, in February 2010, the adoption rate reached 80.55% for business entity producers. Individual producers have been able to renew on OLLIE since 2007. The rate of adoption for individuals rose from 62.72% in 2009 to 67.44% in 2010. The online renewal of licensees via OLLIE has proven to be very successful.



NIPR Project

NIPR Phase I is the initial stage of a larger project which will eventually allow for the initial online licensure of producer applicants via NIPR's Gateway in addition to online renewal. NIPR's Gateway will allow licensees and licensing applicants from all over the country to log on to one site to apply for licensure in as many states as the applicant chooses to become licensed. As the majority of producer licensees in most states are non-residents, this will make licensing a far simpler process for the majority of licensees. The Division will maintain its own online licensing system (OLLIE) and will continue to accept paper applications. Massachusetts' partnership with NIPR is another step taken into the age of electronic licensing.

The Division's NIPR Project team is also working on enhancing the OLLIE system and the Division's licensing system for synchronization with NIPR's Gateway. The renewal of producer licenses through the NIPR Gateway will be available in June of 2011.

Reciprocity & Uniformity

The National Association of Insurance Commissioners (NAIC) worked with the Division to ensure that Massachusetts is deemed a “Reciprocal State” and a “Uniform State” with regard to licensing in conjunction with all other states. A key initiative of the NAIC/Industry Producer Licensing Coalition has been to eliminate, where possible, the prerequisite to licensure for non-resident business entities to register as foreign corporations with the respective Secretary of State. The NAIC’s Coalition encouraged insurance regulators to evaluate the extent to which they have assumed a role in the foreign corporation registration process, outside of the statutory requirements for insurance licensure, and to discontinue enforcement of Secretary of State’s requirements - if possible. As a result of this key initiative, Massachusetts no longer requires any additional documents for non-resident business entities.

Massachusetts requires an individual to first be licensed as an individual producer - whether resident or non-resident - before he or she can obtain a business entity license. Massachusetts will offer licenses to all non-resident individuals and business entities, as long as their resident states will do the same for Massachusetts resident individuals and business entities (Reciprocity). Massachusetts utilizes the NAIC’s Uniform Application. Massachusetts has now partnered with the NAIC & NIPR for on-line licensing and lastly, we have met all pre-requisites for Uniformity Standards and Reciprocity.

Prometric Exam Workshop

A number of Division staff members, along with external subject matter experts from the insurance industry, volunteered their time and expertise by attending the annual Prometric Exam Review workshop. The purpose of the workshop is to review examination questions, subject percentages to be asked on examinations and the overall quality of the examinations.

1033 Committee

Under the provisions of Title 18 U.S.C. §§1033 and 1034, it is a federal crime for a person to engage or participate in the business of insurance if that person has ever been convicted of a state or federal felony involving dishonesty or breach of trust. However, such a prohibited person may apply to the Commissioner of Insurance for written consent to engage or participate in the business of insurance.

The process of obtaining consent begins with the candidate filing an application form, in accordance with written procedures promulgated by the Division’s 1033 Committee. Applicants are notified in writing when their application is complete, and are given the option to attend a committee meeting to further state why they believe that the Commissioner should grant them written consent. Committee members, after a thorough review of an application, accompanying documents and personal interviews, if requested reach a recommendation which is then provided to the Commissioner.

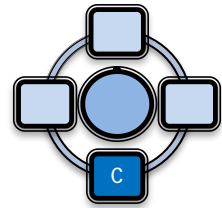
5 – Consumer Protection

5.1 Purpose















Beyond the financial health of an insurer, the Division protects consumers in the insurance marketplace by monitoring the market activities of insurers and assisting consumers with questions and complaints about insurance. Through market conduct examinations, the Division looks beyond the financial condition of a company by examining business practices such as policy underwriting and rating practices; cancellations and non-renewals; claim settlements; insurance applications; and, advertising materials. The Division provides the general public with a non-judicial alternative for pursuing complaints against insurance companies and producers. The underlying goal is to confirm that Massachusetts consumers are treated with fairness and according to the terms of the insurance contract.

The Division protects consumers through three primary activities:

- Market Conduct - The examination and review of insurance company business practices ensures that policyholders are treated fairly in the Massachusetts insurance marketplace. Market conduct examinations look at the manner in which insurance companies treat policyholders in order to ensure that such treatment complies with the terms and conditions of insurance contracts, as well as state laws, regulations and bulletins. The Division also conducts market analysis reviews of various regulatory data covering select companies doing business in Massachusetts. Review of this regulatory data allows for a better understanding of the current state of the marketplace and to identify possible areas of regulatory intervention.
- Consumer Services – Consumers can call the Division’s consumer hotline with questions or complaints about insurance companies, individual licensees or insurance products. In addition to providing consumers with general insurance information in the form of brochures and guides, the Division also advises consumers on their options and rights under their policies, state laws and insurance regulations. Consumers pursuing complaints against companies or other licensees may file formal complaints and agency staff will ensure that companies treat consumers fairly and according to the terms of the insurance contract.
- Board of Appeal – Massachusetts drivers who wish to appeal an insurance cancellation, an Registry of Motor Vehicles license suspension or revocation, or a determination by an insurer that the insured was more than 50% at-fault for a motor vehicle accident have a statutory right to a hearing before the Board of Appeal.



5.2 2010 Goals for Consumer Protection

	Complete	<ul style="list-style-type: none"> Monitor insurers and industry trends, and analyze their impact on consumers and the insurance marketplace to determine whether regulatory intervention or oversight is appropriate.
	Complete	<ul style="list-style-type: none"> Monitor the progress of multi-state regulatory settlement agreements in which the Massachusetts Division of Insurance is a lead state negotiator.
	Complete	<ul style="list-style-type: none"> Determine whether multi-state regulatory settlement agreements negotiated by other states are fair to Massachusetts consumers.
	Complete	<ul style="list-style-type: none"> Maintain a market conduct examination program in accordance with Division of Insurance and NAIC guidelines.
	Complete	<ul style="list-style-type: none"> Conduct substantive market conduct examinations that are thoughtfully planned and timely executed by qualified and trained professionals.
	Complete	<ul style="list-style-type: none"> Handle all formal written consumer complaints against licensees in 90 days or less. Prioritize cases outstanding for more than 90 days.
	Complete	<ul style="list-style-type: none"> Monitor consumer hotline calls to ensure callers receive the highest quality of service as well as the most accurate information.
	Complete	<ul style="list-style-type: none"> Maintain and schedule monthly training sessions for Consumer staff to cover current or evolving topics in auto and health insurance.
	Complete	<ul style="list-style-type: none"> Collaboration between Consumer staff and the Special Investigations Unit to refer consumer cases to SIU as necessary.
	Complete	<ul style="list-style-type: none"> Reconcile all 2010 closed consumer written complaints.
	Complete	<ul style="list-style-type: none"> Gather and log data on all consumer hotline calls and written complaints in order to demonstrate trends in the market experience of Massachusetts insurance consumers.
	Complete	<ul style="list-style-type: none"> Add consumer information to the Division's website throughout the year on current topics and recurring issues of interest to Massachusetts insurance consumers.
	Complete	<ul style="list-style-type: none"> Hold hearings for appeals of at-fault accident determinations within 6-9 months.
	Complete	<ul style="list-style-type: none"> Issue decisions for appeals of at-fault accident determinations within two weeks of hearing date.

5.3 Market Conduct

Examinations and Reviews

The market conduct examination process enables the Division to ensure that insurance companies treat policyholders and consumers fairly and in accordance with both the terms of the insurance contract and state laws or regulations. Completed examinations may result in insurance companies taking recommended and/or corrective action to address identified violations and prevent their recurrence.

The Division evaluated the business practices of 12 domestic companies in the following areas during comprehensive examinations completed in 2010:

- Company operations and management
- Timely and fair complaint handling
- Marketing and sales practices
- Appointment and licensing of producers
- Underwriting and rating guidelines and practices
- Claims handling and settlement practices

In addition to comprehensive examinations, the Division completed 28 limited scope examinations of domestic and foreign insurers in 2010. A limited scope examination is one that covers only specifically stated areas of activity rather than the comprehensive set of areas listed above. A group of limited scope examinations determined that ten companies had not reported Board of Appeal at-fault accident determination appeal decisions to credit reporting agencies in a timely manner. In lieu of a fine, the ten companies contributed a total of \$100,608 to the Massachusetts Office of Consumer Affairs Regulatory Trust for use in consumer education.

Market Analysis

In 2010, the Division completed 41 market analysis reviews on 33 companies for 9 lines of business. During market analysis reviews, the Division assesses data from a variety of sources including the NAIC complaint database, the NAIC regulatory information retrieval system (RIRS), the NAIC market initiative tracking system and insurance company-submitted financial statements. These market analysis reviews provide an early warning mechanism used to identify company non-compliance with insurance laws and regulations, and negative financial trends which may impact future claim payments.

Company Reports

In 2010, the Division reviewed potential violations self-reported by companies for identified areas of non-compliance. The total restitution to Massachusetts insureds from these self-reports was \$2,770,520.

2010 Comprehensive Exams

- Bay State Ins. Co.
- Cambridge Mutual Fire Ins. Co.
- Citation Ins. Co.
- Commerce Ins. Co.
- Dorchester Mutual Ins. Co.
- Fitchburg Mutual Ins. Co.
- Merrimack Mutual Fire Ins. Co.
- Norfolk & Dedham Mutual Fire Ins. Co.
- Quincy Mutual Fire Ins. Co.
- The Paul Revere Life Ins. Co.
- The Paul Revere Var. Annuity Ins. Co.
- The Savings Bank Life Ins. Co. of Massachusetts

2010 Limited-Scope Exams

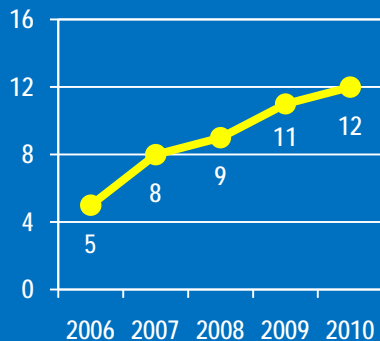
Private Passenger Automobile

- Allstate Ins. Co.
- Amica Mutual Ins. Co.
- Arbella Mutual Ins. Co.
- Chartis Property Casualty Co.
- Commerce Ins. Co.
- Electric Ins. Co.
- Farm Family Casualty Ins. Co.
- Fireman's Fund Ins. Companies (American Automobile Ins. Co.)
- GEICO General Ins. Co.
- Government Employees Ins. Co.
- Hanover Ins. Co.
- Harleysville Worcester Ins. Co.
- IDS Property Casualty Ins. Co.
- Liberty Mutual Ins. Co.
- Metropolitan Property & Casualty Ins. Co.
- Norfolk & Dedham Mutual Fire Ins. Co.
- Occidental Fire & Casualty Ins. Co. of North Carolina
- Plymouth Rock Ins. Co.
- Preferred Mutual Ins. Co.
- Progressive Casualty Ins. Co.
- Progressive Direct Ins. Co.
- State Farm Mutual Auto Ins. Co.
- United Services Auto Assoc.
- USAA Casualty Ins. Co.
- Vermont Mutual Ins. Co.

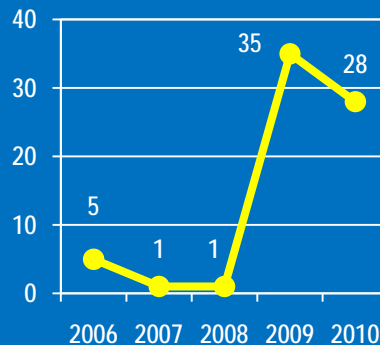
Long Term Care Insurance

- AIG Life Ins. Co.
- Continental Casualty Co.
- Metropolitan Life Ins. Co.

Five Year Trends: Comprehensive Exams



Five Year Trends: Limited Scope Exams



Five Year Trends: Market Analysis Reviews



Multi-State Settlements

The Division also received collaborative action settlements from participation in multi-state exams of Allstate Insurance Company in the amount of \$35,063, and the Conseco Group in the amount of \$16,032. Massachusetts policyholders also received \$28,464 in restitution under the Conseco settlement.

Settlement Monitoring

The Division continued its monitoring of several regulatory settlement agreements entered into in years prior to 2010.

- **Health Markets Group**

The Health Market settlement involved the improper claims handling practices of health insurers under plan certification riders – primarily the failure to pay benefits fairly and equitably. The settlement agreement provided a review of claims submitted by those newly insured between August 1, 2006 and September 30, 2009. In 2010, the Health Markets Companies paid restitution to Massachusetts insureds of \$69,078.

- **UNUM Group**

The UNUM settlement concerned improper claims handling including denials and termination of payments on group and individual disability income policies. During 2010, on a national basis, UNUM Group has paid approximately \$727 million either directly to claimants, or has placed funds in reserve for future payments. Approximately \$15.1 million of that total has been paid or placed on reserve for future payments to Massachusetts claimants.

- **UnitedHealthcare Group**

The UnitedHealthcare Group settlement covered claims previously underpaid due to errors in determining benefit eligibility, claim adjudication system or claim processor errors, and provider contract issues. In 2010, restitution paid to Massachusetts insureds and health care providers totaled \$4.02 million.

Additional Reviews

The Division regulates 266 risk purchasing groups by registering new groups and renewing the registration of existing groups. In 2010, we collected approximately \$33,625 in fees from these risk purchasing groups. In addition, the Division reviews and analyzes the financial statements of 24 workers' compensation self-insured groups in order to ensure the solvency of each group.

5.4 Consumer Services

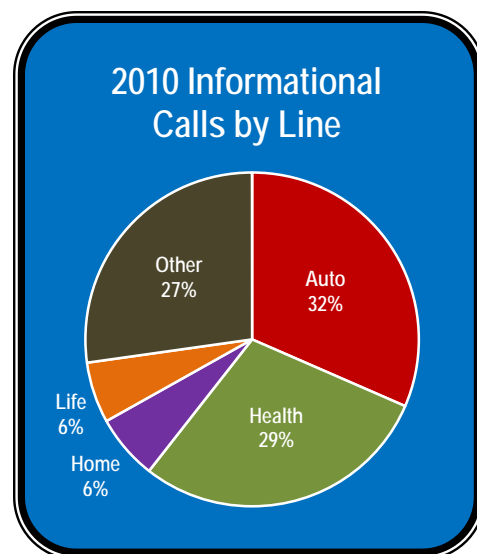
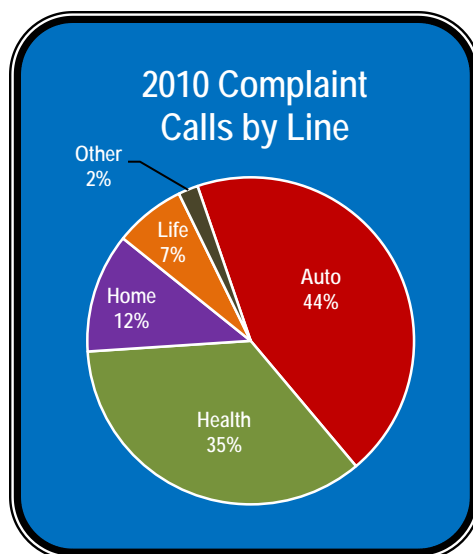
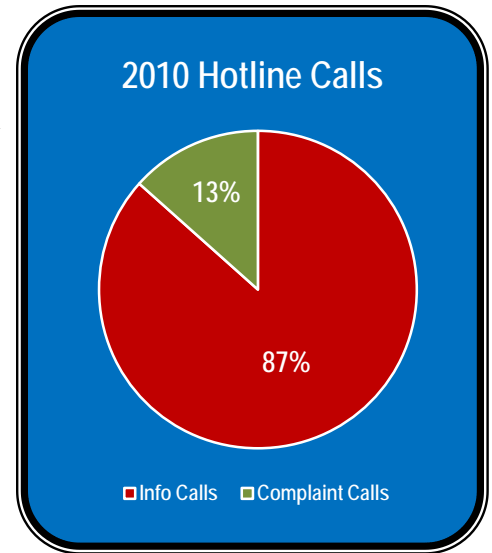
Consumer Hotline Calls

Insurance consumers receive personal assistance from the Division by calling the Consumer hotline Monday through Friday, 8:45 a.m. to 5:00 p.m. All hotline calls are logged into a call database. This database allows the Division to gather a range of sortable data on each call. Reports are run based on this data in order to show trends in consumer questions and complaints.

Examiners answer questions regarding most lines of insurance and offer information about companies and producers, such as the status of licenses and complaint data. The Division refers callers to materials in the consumer section of the Division's website in order to provide more detailed information on the question or complaint.

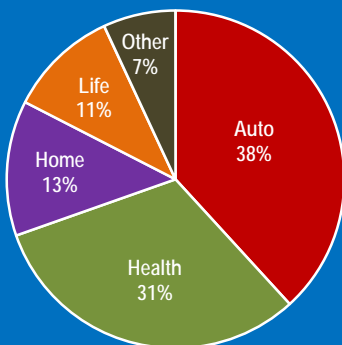
In addition to informational requests, approximately 1 in 12 calls to the hotline is a consumer complaint. Examiners are often able to resolve such complaints over the phone with a simple verbal explanation of the relevant insurance law or contract provision. In other cases, hotline staff recommends that the caller file a formal complaint with the Division.

In 2010, call volume on the consumer hotline increased significantly due to questions and concerns from consumers regarding health care reform and rates for small business health insurance. Changes in the process for reviewing small group health insurance rates and the accompanying uncertainty prompted a large increase in the number of callers with questions about health insurance. In the latter part of 2010, consumers called the Division for information on the new rules for open enrollment periods.

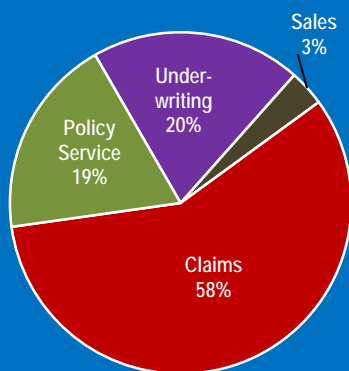


2010 Consumer Informational Calls Top 5 Reasons by Line of Insurance		2010 Consumer Complaint Calls Top 5 Reasons by Line of Insurance	
Automobile Insurance	Health Insurance	Automobile Insurance	Health Insurance
Cancellation	Continuation of Coverage	Denial of Claim	Coordination of Benefits
Claim Settlement Timeframe	Mandated Benefits	Adjuster Handling	COBRA
Merit Rating Plans \ SDIP	Mini-COBRA	Delays	Denial of Claim
Premiums \ Rates	Cancellation	Agent Handling	Adverse Benefit Determination
License Status	Claim Settlement Timeframe	Coordination of Benefits	Assignment of Benefits
Home Insurance	Life Insurance	Home Insurance	Life Insurance
Claim Settlement Timeframe	Interest Paid on Claims	Denial of Claim	Agent Handling
Cancellation	Claim Settlement Timeframe	Adjuster Handling	Denial of Claim
Coinurance	License Status	Delays	Delays
Non-renewal	Cancellation	Unsatisfactory Settlement Offer	Misappropriation
Flood Insurance	# of Complaints Against Company	Agent Handling	Assignment of Benefits

2010 Complaints
by Line



2010 Complaints
by Category



Written Consumer Complaints

Any consumer of an insurance product marketed or sold in Massachusetts may file a written consumer complaint with the Division of Insurance against an insurer or an insurance producer. Written complaints are forwarded to the company or the producer for response. Licensees must respond to the Division within 14 days with a complete reply addressing all issues raised in the consumer complaint. Division staff review the complaint and licensee reply, and advocate for the rights of consumers where appropriate.

The Division's complaint database facilitates both proper case management and the reporting of complaint data. Monthly reports based on data from the complaint database protect the insurance-buying public and accomplishes the Division's mission of forecasting trends regarding the insurance industry. Monthly reports generated from the complaint database allow the Division to look for patterns of unfair or deceptive practices by producers, insurance companies, or other licensees. When appropriate, the information may be referred either to the Special Investigations Unit or Market Conduct Section for further action. "Slow pay" patterns and other questionable industry trends are brought to the attention to the Division's Financial Surveillance staff, as these may be early indicators of liquidity or solvency problems.

Throughout the year, the Division maintains ongoing training of consumer staff so that hotline callers and consumers who file complaints receive the benefit of the most current information and developments in the insurance industry. For the fourth consecutive year, the Division secured over \$1 million in consumer recoveries. In 2010, Division staff resolved nearly 1,600 written complaints and recovered more than \$1.4 million for consumers.

Complaint Dispositions

The vast majority of complaints with positive outcomes result in dollar recoveries for consumers. While they are very important, these recoveries are only one of several possible favorable resolutions for a consumer complaint. In many cases, consumers complain to the Division because their insurance company is unresponsive or slow in settling a claim. Such cases typically involve a delay resolution in addition to a recovery. In other cases, the Division assists consumers working to restore policies, rescind cancellations or waive fees.

2010 Consumer Complaints: Dispositions

Dollar Recoveries	219	Claim Reopened	23
Referral to Proper Agency	123	Policy Restored	18
Compromised Settlement	107	Refer to Discipline	8
Claim Settled	86	Cancellation Withdrawn	3
Refund \ Additional Payments	46	Coverage Extended	2
Delay Resolved	23		

2010 Consumer Complaints: Top 12 Reasons

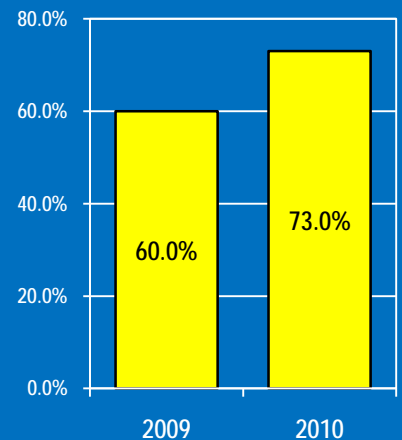
Denial of Claim	20.1%
Delays	10.1%
Premium & Rating	9.7%
Unsatisfactory Offer	7.2%
Cancellation	4.5%
Premium Notice & Billing	3.7%
Premium Refund	3.4%
Information Requested	2.5%
Inadequate Network	2.5%
Surcharge/Merit Rating	1.3%
Policy Delay	1.3%
Adverse Determination	1.3%

Complaint Response Time

The top priority of the Division of Insurance is to find the correct answer to consumer questions and complaints. The Division places more importance on accuracy than on speed. Nonetheless, timeliness is an essential element in the proper handling of a consumer complaint.

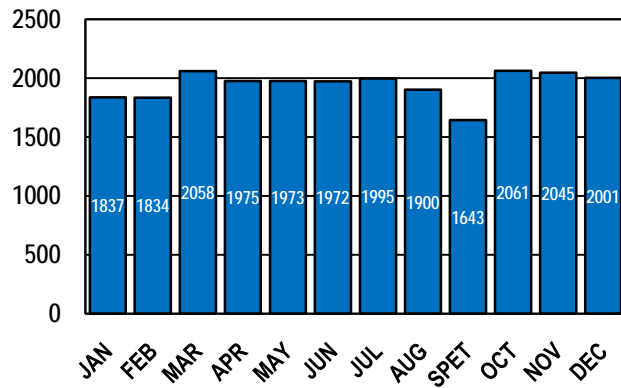
In many cases, consumers have already experienced a substantial delay in the resolution of their dispute with the insurer before a complaint is filed with the Division. Claim denials and policy cancellations leave consumers in financial limbo – they cannot move forward or back without a definitive answer on an unresolved insurance dispute. The Division's consumer staff endeavor to resolve each consumer complaint within 90 days. For most of 2009, Consumer Services operated at 65% of operational capacity due to reduced staffing. Despite these limitations, examiners were still able to handle the majority of cases within the target 90-day window. Response time for 2010 improved significantly.

Consumer Complaints Closed in 90 Days or Less

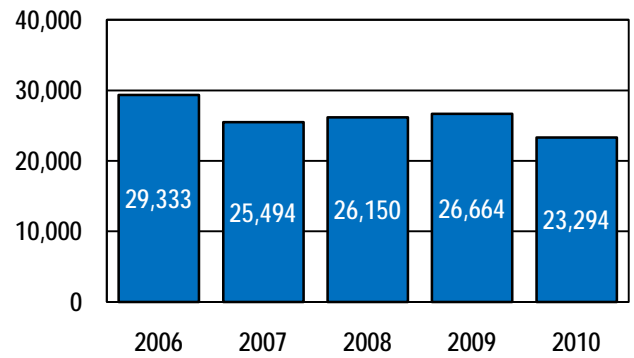


Consumer Services Section Statistics

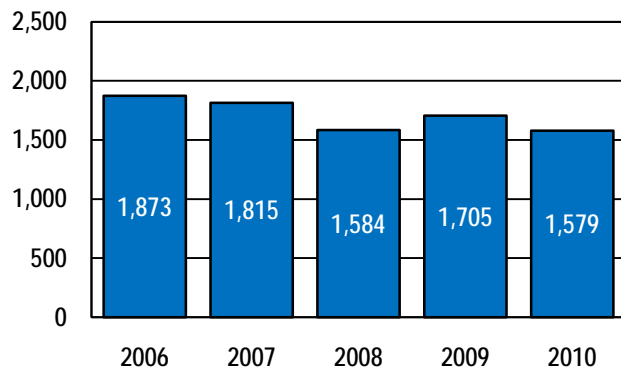
2010 Contacts by Month



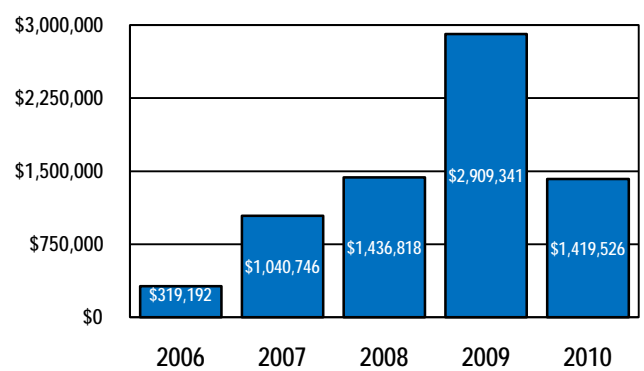
Five Year Trends: Total Consumer Contacts



Five Year Trends: Consumer Cases



Five Year Trends: Dollar Recoveries for Consumers



Complaint Ratios

A frequent question among the thousands posed by consumers calling the Division's hotline concerns the reputation of particular insurance companies. Consumers shopping for coverage often look for some objective measure of customer service on the part of specific companies. Each year, the Division posts updated complaint ratios for major insurers in the private passenger automobile and homeowner's insurance markets. These ratios are calculated by comparing the share of complaints filed against a company to that company's market share. This figure is then normalized to a ratio per \$10 million in premium written in order to control for different levels of market share.

In 2010, the Consumer Services Section handled over 500 private passenger automobile insurance complaints. Complaint ratios for the 20 largest carriers are listed below.

2010 Private Passenger Automobile Insurance Complaints and Market Share			
Company	Premium Share in 2010	Complaints Filed in 2010	Complaints per \$10,000,000 in Premium
Commerce Group	28.20%	173	1.65
Safety Group	11.16%	68	1.64
Liberty Mutual Group	11.07%	50	1.22
Arbella Insurance Group	8.94%	38	1.15
Plymouth Rock Assurance Corporation	5.53%	33	1.61
Travelers Group	5.14%	55	2.89
Metropolitan Group	5.14%	53	2.78
Amica Mutual Group	3.47%	22	1.71
Hanover Insurance Group	3.40%	29	2.30
Progressive Group	3.36%	23	1.84
United Services Automobile Association Group	2.19%	5	0.62
Berkshire Hathaway Group	2.08%	0	0.00
Quincy Mutual Group	1.80%	6	0.90
White Mountains Group	1.44%	13	2.44
Allstate Insurance Group	1.24%	13	2.83
Main Street American Group	1.24%	4	0.87
Norfolk & Dedham Group	1.18%	6	1.37
Vermont Mutual Group	0.83%	0	0.00
IAT Reinsurance Company Group	0.56%	0	0.00
State Farm Group	0.41%	1	0.65
Remainder of Market (17 Companies\Groups)	1.63%	29	4.80

The number of consumer complaints regarding homeowner's insurance is significantly smaller than the number of automobile insurance complaints. In order to ensure that comparisons between companies are valid, the Division groups together homeowner's complaints from a five year period: 2006 -2010. Unlike the automobile insurance market, the homeowner's insurance contains a large number of carriers with comparatively small market shares. In calculating complaint ratios, the Division looks at the top 25 company groups and the Massachusetts Property Insurance and Underwriting Association (FAIR Plan).

2006 - 2010 Homeowner's Insurance Complaints and Market Share			
Top 25 Company Groups & Fair Plan	Premium Share 2006-2010	Complaints Filed 2006-2010	Complaints per \$10,000,000 in Premium
MA Property Insurance & Underwriting Association	13.56%	144	1.13
Commerce Insurance Group	9.12%	65	0.76
Liberty Mutual Group	6.77%	56	0.88
Travelers Group	6.64%	48	0.77
Chubb & Son Inc. Group	6.52%	10	0.16
Andover Group	6.51%	41	0.67
Arbella Insurance Group	5.07%	31	0.65
Quincy Mutual Group	4.41%	27	0.65
Safety Group	3.62%	21	0.61
Vermont Mutual Group	3.24%	27	0.88
The Hanover Insurance Group	2.73%	8	0.31
Amica Mutual Group	2.68%	9	0.36
Metropolitan Group	2.61%	14	0.57
Norfolk & Dedham Group	2.42%	17	0.75
United Services Automobile Association	2.37%	6	0.27
New London County Group	2.18%	21	1.02
Plymouth Rock Insurance Group	1.79%	15	0.89
Preferred Mutual Insurance Company	1.64%	24	1.55
Barnstable Group	1.52%	3	0.21
Allianz Insurance Group	1.42%	3	0.22
Zurich Insurance Group	1.25%	8	0.68
Main Street America Group	1.14%	3	0.28
White Mountains Group	1.10%	13	1.26
Tower Group	1.06%	3	0.30
Providence Group	0.95%	14	1.57
Harleysville Group	0.91%	4	0.47
Remainder of Market (59 Companies\Groups)	6.77%	85	1.33

Online Consumer Publications

As part of its mission to provide insurance consumers with accurate and useful informational materials, the Division creates, updates, and publishes a range of insurance materials in print and online. These materials explain relatively complex insurance topics in a manner easily understood by the average consumer. Every publication created and maintained by the Division also is posted on the Division's website. Below is a partial list of publications and web pages available as of December 31, 2010.

Automobile Insurance

- Tips for Teen Driving
- New Parents Need to Get Smart About Insurance
- Alert: Auto Insurance Advertising
- Accident Forgiveness: What You Should Know
- Shopping for Auto Insurance Step by Step
- It Pays To Shop Around (Consumer FAQ)
- Massachusetts Consumer Bill of Rights for Auto Insurance
- Massachusetts Auto Insurance Plan (MAIP) Consumer Guide
- Ways to Save on Your Auto Insurance
- FAQ on Auto Insurance
- Automobile Group Marketing Plans (Group Discounts)
- How to Appeal Your Driver's License Revocation
- How to Appeal an Auto Insurance Cancellation
- List of Companies Writing Automobile Insurance in Massachusetts
- Automobile Insurance Consumer Complaint Data
- Motor Vehicle Insurance Installment Plans

Homeowner's Insurance

- Commissioners Report on Homeowner's Insurance
- Flood Insurance Facts
- Flood Insurance FAQ
- National Flood Insurance Program
- FAQ on Homeowner's Insurance
- Homeowner Group Marketing Plans 2010 (Group Discounts)
- Homeowners Warranty Contracts
- MAHA Homesafe Program & Discounts
- Homeowner Insurance Service Areas
- Companies Writing Home Insurance in Massachusetts
- A Massachusetts Guide to Insurance for Your Home and Ways to Help Reduce Your Insurance Premiums
- A Massachusetts Guide to Understanding the Insurance Policy Covering Your Home
- FAQ on Flooding and Insurance
- Alert: Changes in Flood Insurance Maps

Life Insurance

- Lifestyle Choices and Premium
- Have you Reviewed your Life Insurance Policy
- Buying Life Insurance and Annuities in Massachusetts

Health Insurance

- National Health Care Reform: What Does it Mean for Massachusetts?
- Health Insurance Plans: Which Plan is Right for You
- Health Insurance Plans: Four Things You Should Know
- Health Care Reform Tips and Resources
- Consumer Guide to Health Care Coverage
- Employer FAQ on Non-discrimination and Equal Contribution Requirements
- Long Term Care Guide
- Mandatory Benefits Guide
- Medigap/HMO Guide
- MiniCobra Continuation of Coverage Benefits Guide

Consumer Alerts in 2010

- Change to Law for Buying Individual Health Insurance
- Mandatory Health Insurance Coverage for Autism
- Annual Medicare Open Enrollment
- National Health Care Reform: What Does it Mean for Massachusetts?
- Beware of Unlicensed Health Plans
- Insurance Needs Change as Economy Forces More Young Adults to Move Back with Parents
- Mini-COBRA Premium Assistance
- Toyota Recall and At-fault Accident Appeals

Miscellaneous Insurance Guides

- Workers Compensation FAQ for Employees and Employers
- Commercial Insurance: A Small Business Guide
- Renter's Insurance
- Credit Insurance
- Boat Insurance
- Recreational Vehicle Insurance
- Travel Insurance
- Pet Insurance
- Wedding Insurance
- Winter Weather Insurance
- Identity Theft
- Insurance Fraud
- Disaster Information

5.5 Board of Appeal

The Division of Insurance's Board of Appeal conducts hearings for consumers appealing:

- An insurance company's determination that the consumer was more than 50% at-fault for an accident
- A decision of the Registry of Motor Vehicles regarding a license suspension, revocation or denial
- An insurance cancellation issued to a consumer by their insurance company

On average, hearing officers hear approximately 35,000 - 50,000 at-fault accident determination appeal cases, 4,000 - 5,000 appeals of Registry actions, and 150 insurance cancellation complaints per year. In addition to hearings, the Division responds to consumer inquiries and researches legal issues, proposes new legislation and works with the Office of the Attorney General to defend the Board's decisions in Superior Court.

Hearings before the Board of Appeal are conducted in accordance with M.G.L. c. 30A and 211 C.M.R. 88.00.

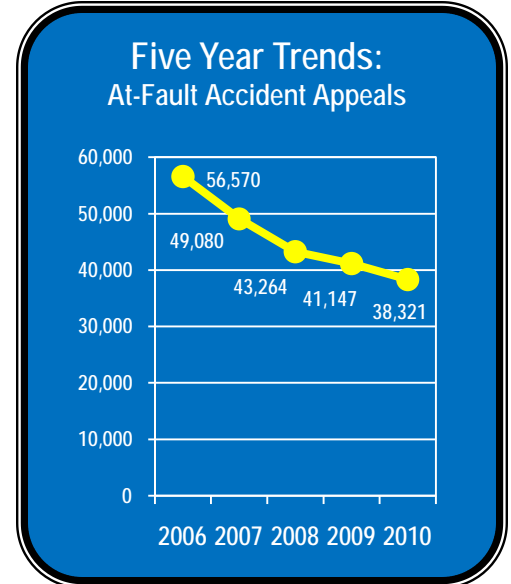
Hearings on At-fault Accident Determinations

Each automobile insurance carrier administers a unique system of adjusting premiums based on an operator's driving record. Typically, these merit rating plans decrease premiums for years of incident-free driving, and increase premiums for operators with at-fault accidents or traffic citations. These premium adjustments create a financial incentive that encourages safer driving.

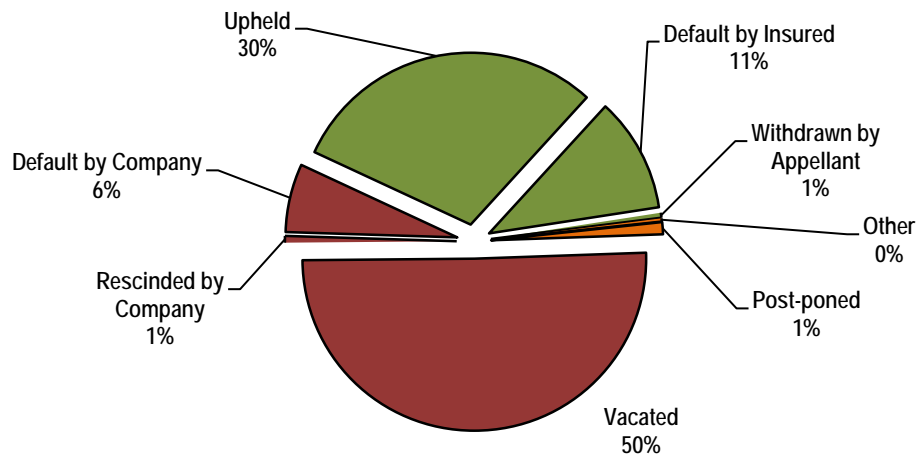
A driver who believes he or she is not at fault for an accident may elect to have a hearing in order to contest that fault determination. These hearings only evaluate whether a driver is more than 50% at fault for the accident. This process ensures that each company's merit rating plan is being implemented fairly and equitably.

At the hearing, the appellant has the right to present relevant facts and circumstances by oral testimony or documentary evidence, as well present witnesses and question any testimony. The appellant may also elect not to appear at a hearing and instead submit a written statement along with any relevant documents to the Board for an administrative review.

If the Board finds that the insurer's determination of fault was not in accordance with the Standards of Fault promulgated by the Commissioner, the insurer's at-fault determination is vacated. The insurer must then refund any additional collected premium to the appellant. If the Board finds that the insurer's determination of fault was in accordance with the Standards of Fault, the determination is upheld. The Division conducted 38,321 appeals of at-fault accident determinations in 2010.



2010 At-fault Accident Hearing Results



At-Fault Accident Determination Hearings

Company	Hearings	Hearing Share	Market Share
Commerce Insurance Company	11,427	31.7%	28.2%
Safety Insurance Company	4,073	11.3%	11.2%
Arbella Mutual Insurance Company	3,164	8.8%	8.9%
Liberty Mutual Insurance Company	2,941	8.1%	10.3%
Travelers Insurance Company	2,717	7.5%	5.1%
Plymouth Rock Assurance Corporation	2,209	6.1%	5.5%
Metropolitan Insurance Company	2,021	5.6%	5.1%
Amica Mutual Insurance Company	1,358	3.8%	3.5%
Hanover Insurance Company	919	2.5%	3.4%
OneBeacon Insurance Company	852	2.4%	1.4%
Progressive Direct Insurance Company	799	2.2%	3.4%
Quincy Mutual Fire Insurance Company	640	1.8%	1.8%
Encompass Insurance Company	575	1.6%	1.0%
USAA Casualty Insurance Company	574	1.6%	2.2%
Norfolk & Dedham Mutual Insurance Company	409	1.1%	1.2%
Pilgrim Insurance Company	193	0.5%	0.4%
Vermont Mutual Insurance Company	166	0.5%	0.8%
Peerless Insurance Company	160	0.4%	0.8%
GEICO General Insurance Company	114	0.3%	2.1%
Fireman's Fund Insurance Company	99	0.3%	0.0%
Electric Insurance Company	98	0.3%	0.3%
State Farm Mutual Insurance Company	95	0.3%	0.4%
Farm Family Mutual Insurance Company	58	0.2%	0.1%
National Grange Mutual Insurance Company	40	0.1%	1.4%
Preferred Mutual Insurance Company	24	0.0%	0.3%
Occidental Fire & Casualty Ins. Co. of North Carolina	12	0.0%	0.6%
Middlesex Insurance Company	1	0.0%	0.0%
Boston Old Colony Insurance Company	1	0.0%	0.0%

Hearing Locations

In addition to its primary office at 1000 Washington Street, the Division held at-fault accident determination appeals at 13 additional satellite locations throughout the Commonwealth. In 2010, the Division acquired a new satellite location, the Plymouth Court House. The acquisition of this location reduced the backlog of cases seen on the Cape, Islands and lower South Shore by three month.

In 2010, 1,703 dockets were conducted involving 28 different insurance companies. Each docket typically contains 25 scheduled hearings.

Registry of Motor Vehicle Action Appeal Hearings

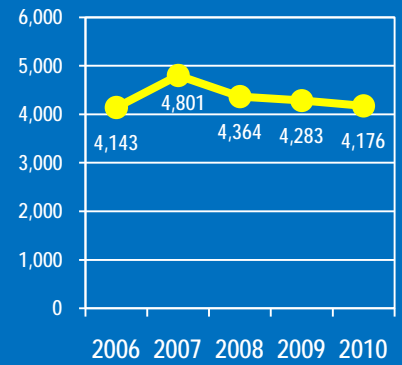
The Board has jurisdiction to hear appeals from any decision or ruling of the Registrar of Motor Vehicles. Board members review testimony, documentation and laws applicable to the appeal and make a decision in the dispute. If the decision allows a licensing privilege to be reinstated partially or fully, the appellant must take the decision to the Registry of Motor Vehicles to complete the required administrative procedures to become reinstated. A favorable decision is not a license - it only allows the appellant to go the Registry to become reinstated.

The Board does not review license suspensions arising from a chemical test refusal or statutory revocation pursuant to a court order.

Hearing Locations

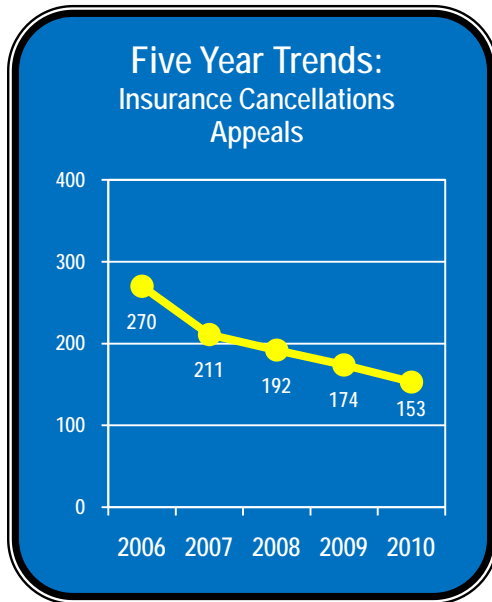
Somerville	6358
Springfield	4158
Boston	3951
Peabody	3847
Worcester	3406
Dedham	3283
Brockton	2908
Waltham	2400
Leominster	1799
Somerset	1568
Plymouth	944
South Yarmouth	932
Marlboro	574

Five Year Trends: Appeals of RMV Actions



RMV Appeal Categories and Results

Reason for Suspension	Appeals Heard	Modified	Denied	Denied with Leave to Reapply	Hold	Continued	Other
OUI/DWI	1,390	443	491	240	19	72	125
Drugs	514	168	229	49	4	16	48
Habitual Traffic Offender	418	92	207	43	6	33	37
60 Day Suspension for 7 Surcharges	399	177	146	1	0	26	49
Indefinite Suspension	193	71	22	8	8	25	59
Fraudulent License	151	73	54	0	1	3	20
Junior Operator Law Violation	149	44	92	3	0	0	10
Interlock Appeal	124	21	80	2	0	3	18
Inspection Station License	118	48	40	0	0	0	30
Other	720	264	251	23	21	42	118
Total	4,176	1,401	1,612	368	59	220	515



Automobile Insurance Cancellation Appeal Hearings

The Board also hears complaints arising from automobile insurance cancellations. The complaint must be filed before the cancellation date. If it is, the policy remains in effect until the Board has issued its decision. If an appeal is filed after the cancellation date, but within 10 days of cancellation, the appeal is heard, but the cancellation will still take effect. A complaint may not be filed:

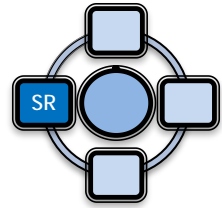
- If a policy has been secured from another insurance company
- For non-payment of premium on a registered taxicab or fleet of taxicabs
- On a cancellation of a policy effected by a finance company
- If a company refuses to issue a policy

Rebuild of the Board's Case Management System

The Division contracted with an external vendor to build a new custom Board of Appeal case management system. Currently, the Division manages its appeals process with three separate FoxPro database applications. One goal of the new system is to leverage new innovative technology to build a highly secure and resilient system that is compatible and adaptable to new and emerging technologies.

The new system will move the Division's case management application to a Web based technology. It will seamlessly integrate the appeal database with the Registry of Motor Vehicles, the Division's Consumer Complaint Database, and the Superior Court Databases. Integrating the databases will reduce the amount of data entry required by users and allow for information sharing. Creating an application that is web-based will allow hearing officers to schedule hearings, create, update and print dockets and hearing decisions from any location. The web application will also allow the public to request and pay for a hearing, change hearing location, or postpone a hearing from any location that has a Windows PC and access to the Internet. It is expected that will be up and running in 2011.

6 – Statistical Rating & Regulatory Control



6.1 Purpose

The Division monitors various insurance markets and issues technical reports and analysis on emerging trends. The forms, rules and rates used by insurers are reviewed by the Division to ensure that company practices are actuarially sound and in compliance with state law. The Division also administers insurance laws and regulations to further our solvency, licensing and consumer protection functions. The administration of these laws results in various hearings, appeals, investigations and formal litigation. The Division conducts statistical rating and regulatory control primarily through the work of the State Rating Bureau and the Legal Division:

- Statistical Rating – The Division monitors insurance markets; develops and publishes technical reports and analyses on emerging insurance trends; and, reviews policy forms, rules and rates filed by insurance companies to ensure that insurance coverage and rating practices are actuarially sound, comply with all laws and are fair to consumers. The Bureau works closely with the Division’s legal staff to develop regulatory guidance that clarifies rating and policy requirements.

The Bureau includes three major subdivisions – the Bureau of Managed Care, the Health Care Access Bureau, and the Policy Form Review Section. The Bureau communicates rate filing procedures through filing guidance letters, and assists in developing guides and alerts that explain features of various insurance products to consumers.

- Regulatory Control - The Division administers the laws of the Commonwealth as they pertain to the protection of insurance consumers through the regulation of the insurance industry. Specific actions by insurers or individual licensees require formal review through a hearing process before approval. In other cases, the Division’s role in the administration of insurance laws requires litigation in the courts.

The Special Investigations Unit investigates allegations of misconduct by licensees and pursues enforcement actions where appropriate. These cases include finding and reviewing evidence supporting allegations of unfair methods of competition, unfair or deceptive acts or practices, and other violations of insurance laws.

If a Massachusetts domestic insurance company’s financial condition becomes impaired, the Commissioner is empowered to seek judicial appointment as receiver. As receiver, the Commissioner acts as a fiduciary on behalf of the insurer’s policyholders and creditors and seeks to provide that the insurer’s obligations to its policyholders are met to the fullest extent possible.

6.2 2010 Goals for Statistical Rating & Regulatory Control



Complete

- Facilitate the implementation of competitive rate regulation for the private passenger auto insurance market by establishing guidelines that promote the entrance of new companies and a wider diversity of products that improve the availability of choices for consumers.



Complete

- Coordinate the Division's efforts to implement health insurance reform as identified in Chapter 58 of the Acts of 2006 and related statutes.

In Progress

- Evaluate the market for small group health insurance, conduct examinations to evaluate the factors underlying the recent increases in small group premiums and propose policy options in conjunction with other state agencies to address the factors leading to increasing costs.



Complete

- Regulate insurance policy forms, rates and programs. Take steps to revise regulatory processes - including transition to electronic systems such as the System for Electronic Rate and Form Filing (SERFF) and Electronic Funds Transfer (EFT) - to promote more efficient and effective business practices and communications with consumers.



Complete

- Review and analyze proposed or enacted legislation affecting insurance companies and the insurance buying public.



Complete

- Research and draft regulations, regulatory bulletins and interpretative letters on Massachusetts insurance laws and regulations.



Complete

- Serve as hearing officers in various regulatory proceedings, including hearings concerning new or amended regulations and financial transactions.



Complete

- Provide a flexible alternative to litigation through the adjudicatory hearing process conducted by the Hearings and Appeals Section, including insurance rate proceedings, enforcement actions against Division licensees, and administrative appeals.



Complete

- Investigate and document allegations of unfair methods of competition, unfair or deceptive acts or practices, and other violations of insurance laws and regulations.



Complete

- Recommend and pursue appropriate enforcement actions, which may include negotiated settlements, consent agreements or administrative decisions -- including cease-and-desist orders, compliance programs, license suspension or revocation, and financial penalties.



Complete

- Make referrals to state and federal government agencies and other financial and regulatory bodies, and report evidence of criminal activity to the appropriate law enforcement authorities.

6.3 Markets

As the Division of Insurance regulates the entire Massachusetts insurance marketplace, certain markets undergo analysis or review over the course of the year based on the Commissioner's legal mandate, executive direction or overall market conditions. In 2010, the following markets saw significant statistical review and analysis, or regulatory intervention:

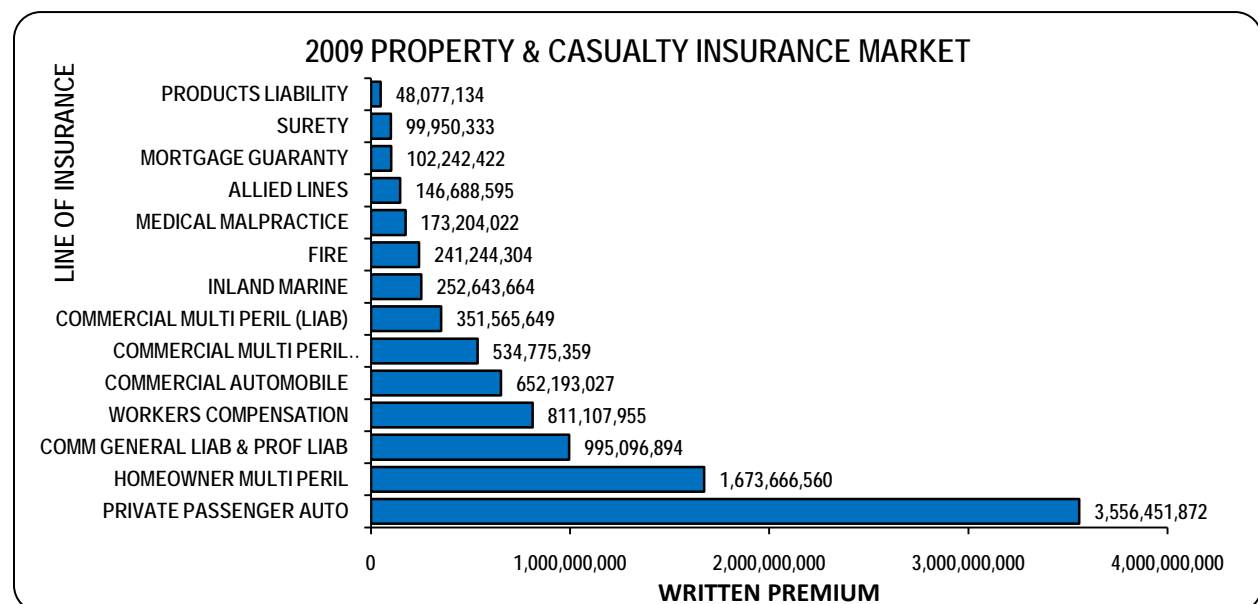
- Private Passenger Automobile
- Health
- Home
- Workers' Compensation
- Disability Income
- Medical Malpractice
- Life
- Credit

6.31 Market: Private Passenger Automobile

Private passenger motor vehicle insurance accounted for nearly \$3.6 billion in Massachusetts written premium dollars in calendar year 2009 – this is over twice the level of premiums collected for any other line of property and casualty insurance.

The Division is responsible for:

- Monitoring the market's transition to competitive rate regulation
- Monitoring the activities of the residual market administered through Commonwealth Automobile Insurers
- Reviewing all company and residual market form, rule and rate filings
- Reviewing statistical plan filings



Automobile Insurers Entering Massachusetts Since April 1, 2008

- AIG Private Client
- Allstate
- Ameriprise
- GEICO
- Green Mountain
- Harleysville
- Occidental
- Peerless
- Praetorian
- Preferred Mutual
- Progressive
- Vermont Mutual

Transition to Competitive Rate Regulation

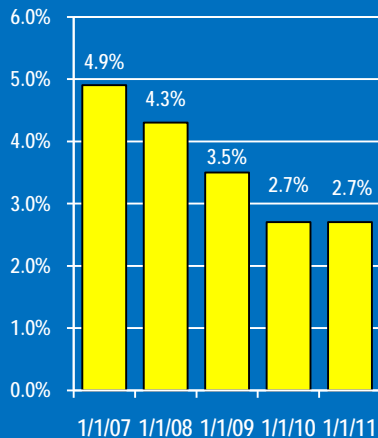
Since the move to managed competition in the private passenger automobile insurance market on April 1, 2008, 12 new insurance companies have started writing private passenger auto insurance. Eight of these companies market their products through independent agents.

Since the start of managed competition, carriers have developed their own rating plans to reward incident-free driving and have developed an array of product benefits and discounts that have been available in other markets, but were not available in Massachusetts prior to 2008. The following are among the new product features that are now available in Massachusetts:

- Accident Forgiveness
- Disappearing Collision Deductible
- Emergency Lodging
- Extended Coverage for Motor Club Members
- Hybrid Car Discount
- Identity Fraud/Theft Coverage
- Laptop Coverage
- Loan/Lease Gap Coverage
- Pet Coverage for Veterinary Bills

The Division continued to work on consumer outreach to help maximize the benefits of competition in the market, including making enhancements to the Division's website. The Division issued an Auto Insurance Consumer Bill of Rights, and numerous consumer alerts regarding new product options.

Automobile Residual Market



Residual Market

Massachusetts completed its transition to an assigned risk plan for the residual market in 2010. In 2007, 184,126 vehicles were insured in the residual market, representing 4.3% of all insured vehicles. In 2010, 111,835 vehicles were insured in the residual market, representing 2.7% of all insured vehicles.

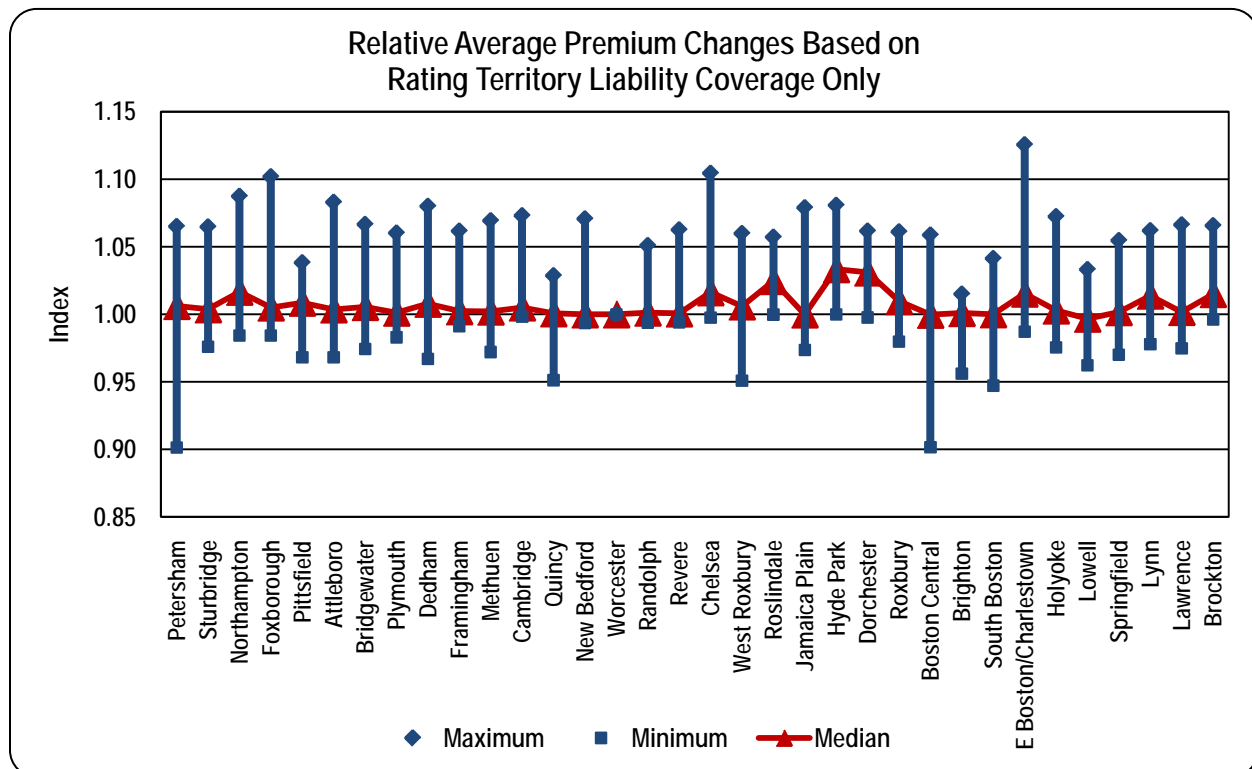
The Division reviewed numerous proposed changes to the MAIP rules of operation to identify their impact on both the industry and consumers. Staff also worked closely with Commonwealth Automobile Reinsurers to promulgate and communicate recent rule changes designed to ease the transition for specific insurance producers.

Form, Rate and Rule Filings

All automobile insurer rate and rule filings are reviewed by the Division prior to being placed on file to ensure compliance with all state laws and Division Bulletins. All companies are required to provide actuarial support for any change to base rates or other rating factors.

For policies with effective dates of April 1, 2010 and later, the Division issued Bulletin 2009-13 to notify carriers that premiums calculated from an insurer's filed rates and rating factors must produce a premium that is less than or equal to the premium calculated using the residual market's rates and rating factors. No company filed rates that produce policy premiums in excess of the residual market threshold for the minimum insurance coverage required by law.

Similar to 2009, average premium changes remain flat statewide, but meaningful differences exist from company to company. The chart below shows an index that reflects the maximum, minimum, and median change in premium for select cities and towns during 2010 that is attributable to changes in rating territory relativities made by the ten largest insurers. The premium change being measured is for a single operator, licensed six years with a clean driving record, on a vehicle that carries minimum liability limits and no physical damage. The base index (1.00) is the change in premium for the city of Worcester. An index of .97 means the average premium change for the policy described above changed by 3% less than the change observed for the same policy in Worcester. Similarly, an index of 1.03 for a given town means that the average premium change for the policy was 3% higher than the change observed for the same policy in Worcester.



The chart illustrates how the median premium change in 2010 from the ten largest insurers remained virtually flat for communities across the Commonwealth. The handful of communities with the largest median increases only saw an increase of 3% in the average premium compared to the benchmark change in premium for Worcester. This relatively flat median index applies to urban as well as rural areas, indicating that no single type of community was targeted with large increases or decreases.

In addition, a spread between minimum and maximum changes in premium from company to company exists in nearly all of the communities. This means that no matter where one lives, there is likely a benefit to shopping around for the lowest price. While companies did vary their rates, the spread between minimum and maximum changes was limited to a relatively narrow band of 10% or less. These results indicate a stable market for private passenger automobile insurance without geographic pockets of unprofitability that might result in volatile rate changes.

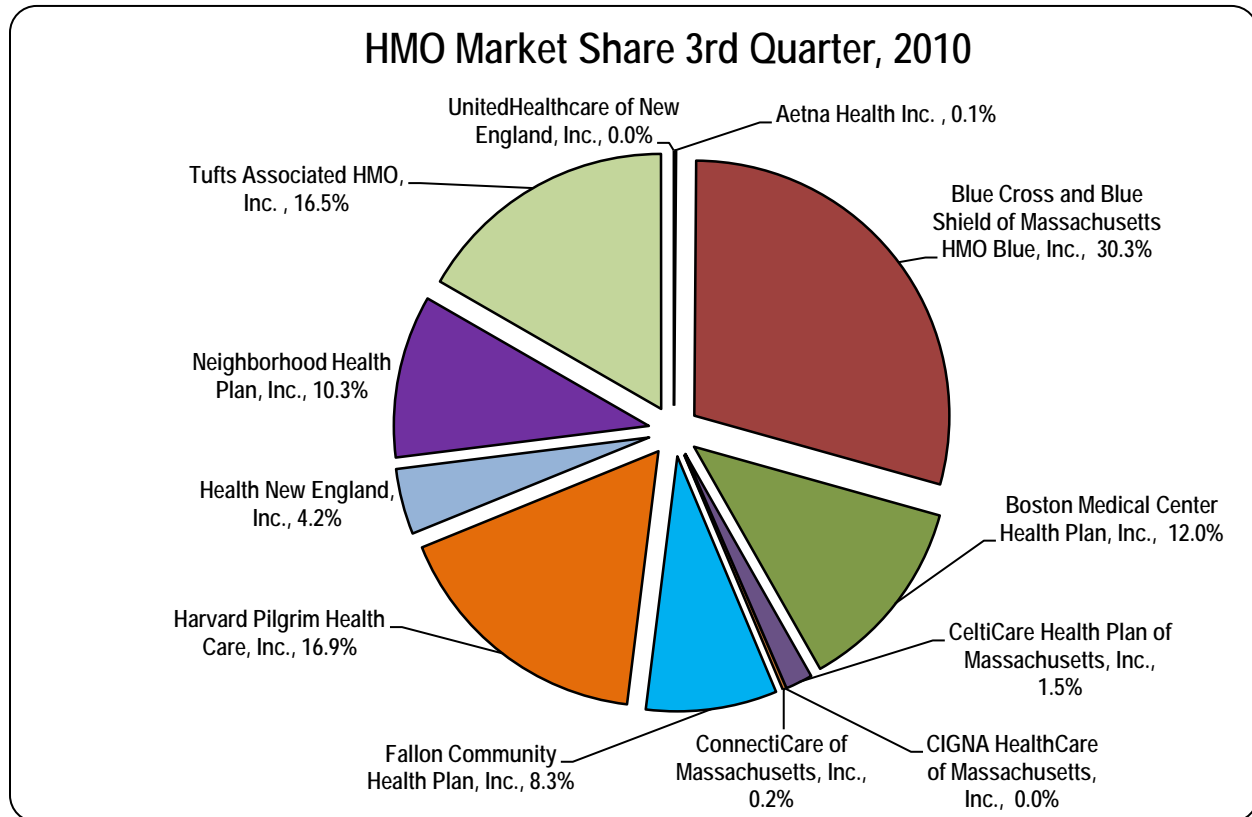
6.32 Market: Health Insurance

The Division reviews health insurance company materials to determine whether their operations satisfy managed care protections required under M.G.L. c. 176O. These protections include those related to:

- Consumer Disclosures
- Evidences of Coverage
- Provider Contracts
- Network Directories
- Utilization Reviews
- Quality Assurance and Credentialing
- Internal Appeals Systems

In addition, the Division's Bureau of Managed Care looks for emerging issues associated with health reform, company operations and administrative practices, managed care practices, and mandated health benefits.

Health Maintenance Organizations (HMO) provide the vast majority of insured health plan coverage in Massachusetts. More than 2 million people receive health care coverage through an HMO plan from one of 12 companies. Relative market share during the 3rd quarter of 2010 is shown by the chart to the right.



Massachusetts Health Reform

In 2006, Massachusetts enacted a comprehensive health reform law in an effort to expand access to affordable health insurance. Chapter 58 of the Acts of 2006, The Massachusetts Health Reform Law, mandates that residents maintain an adequate level of health coverage - called minimum creditable coverage - or face significant tax penalties.

The Division monitors the market for health insurance coverage - concentrating on the availability and affordability of coverage. The Commissioner of Insurance appoints representatives to a number of health insurance committees and task forces, including:

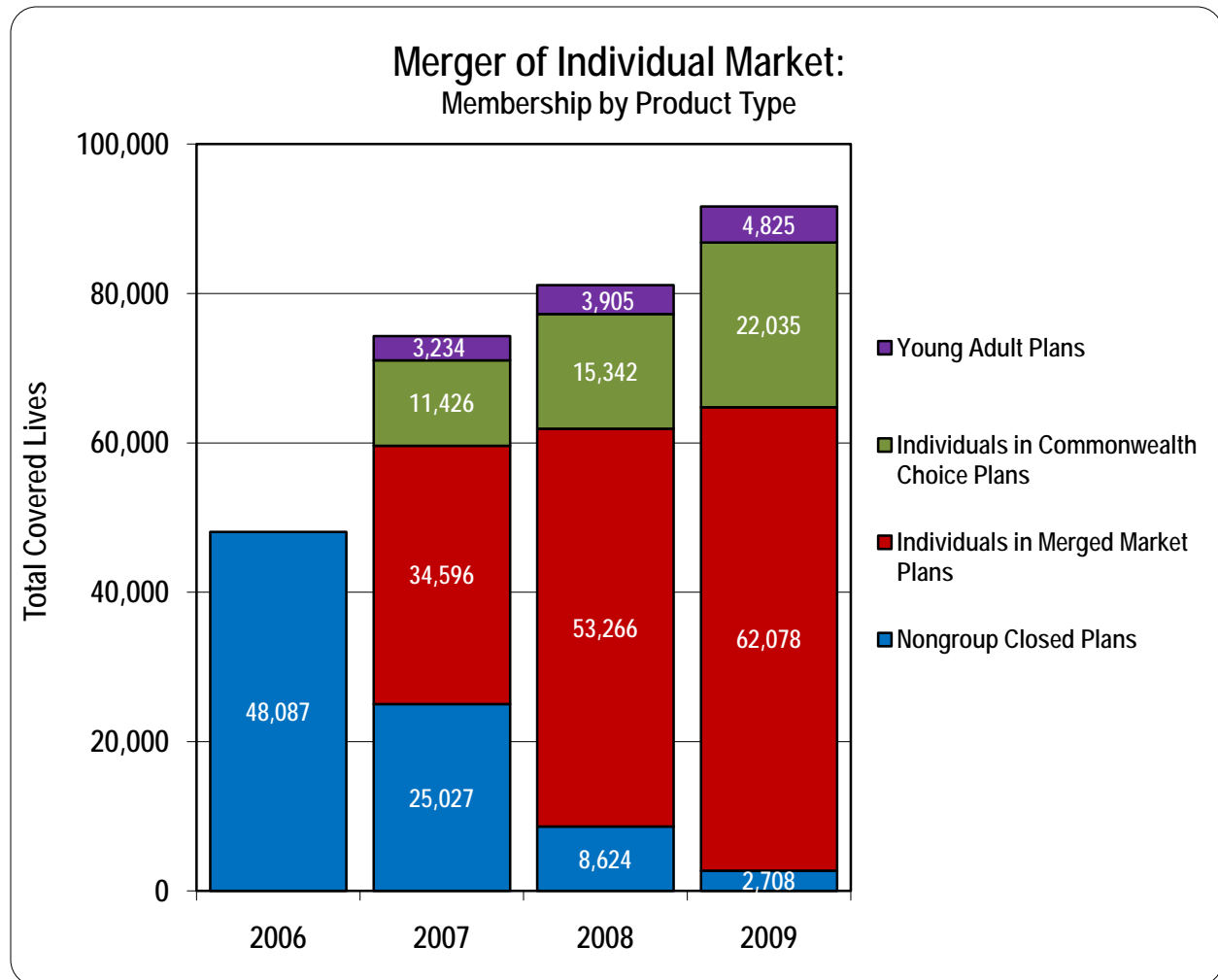
- Health Care Quality and Cost Council
- HealthyMass Compact
- Interagency Analytic Work Group
- Long-Term Care Financing Advisory Committee

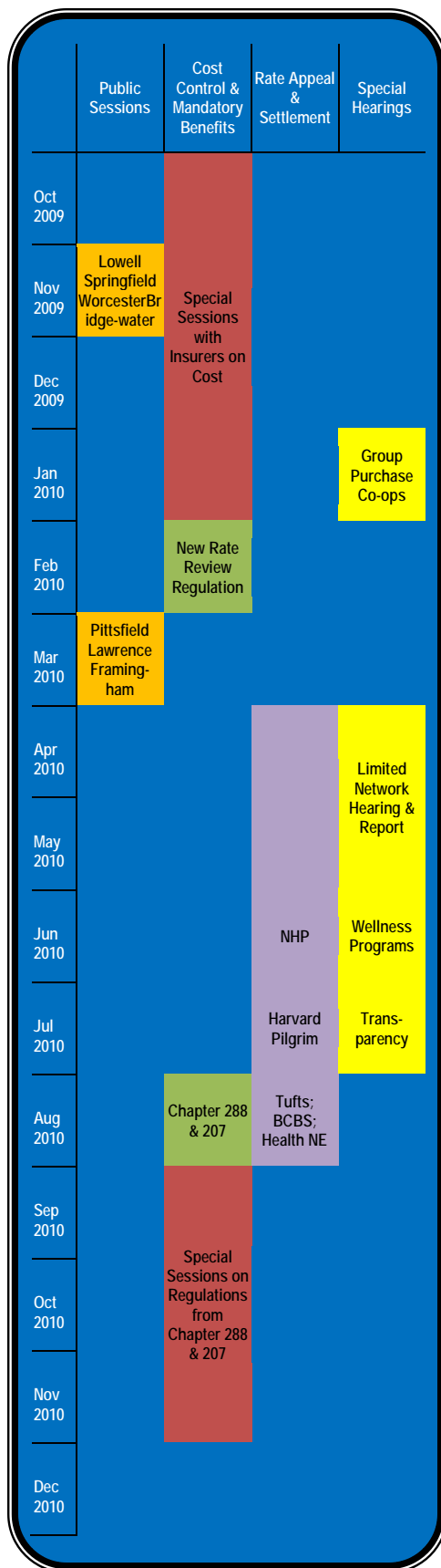
During 2010, the Division worked with several other state agencies, including the Executive Office of Health and Human Services, the Connector, and the Division of Health Care Finance and Policy, to implement reforms created under Chapter 58 of the Acts of 2006, Chapter 305 of the Acts of 2008, and Chapter 288 of the Acts of 2010 and to examine ways to address health care cost and quality concerns.

Access: Merger of Small Group/Individual Markets

One pillar of Chapter 58 of the Acts of 2006 was the July 2007 merger of the small group and individual markets and development of Young Adult Plans to provide more coverage options for individuals in Massachusetts. The Division examined the number of people covered by individual plans before and after the merger and found that coverage in individual health plans increased by 43,559 from 2006 to 2009.

In order to understand the impact of the merger, the Division issued “An Analysis of Individual Health Insurance Before and After the July 1, 2007 Merger of the Small Group and Nongroup Health Insurance Markets.” The report showed that the manner in which the markets were merged increased adverse selection as some individuals only bought coverage when they needed to get services and dropped the coverage afterward. The report identified ways to provide different incentives for individuals to buy and keep coverage.





Informational Hearings on Small Employer Rate Increases

In response to an October 20, 2009 directive from Governor Patrick, the Division conducted nine weeks of hearings in the Fall of 2009 with health plans and health care providers to examine the factors leading to increases in the cost of small group health insurance. In addition to the Fall 2009 hearings, the Division held a series of hearings in March of 2010 regarding the rising costs of small business health insurance premiums around the state to provide interested persons the opportunity to comment regarding the issue. Hearing sessions were held in Hyannis, Boston, Pittsfield, Lawrence, Framingham and Fitchburg.

In May of 2010, the Division held a public informational hearing regarding limited health networks and any effect they may have on the rising costs of small business health insurance premiums. The hearing allowed any interested party to offer comment regarding the availability of limited health networks under health maintenance organizations and preferred provider plans and any perceived impediments to creating such networks, or increasing the use of these networks. The Division released a comprehensive report in late June to summarize findings and identify policy options that could impact the rising cost of health care.

In July of 2010, the Division held a public informational hearing regarding the benefits of transparency in the health care marketplace. At this hearing, the Division heard comments regarding the benefits of transparency and its effect on competition in the health care marketplace, as well as ways to promote transparency, including insurers' public disclosure of certain cost information related to specific procedures.

Small Group Rate Review & Litigation

On February 10, 2010, Governor Patrick directed the Division to file changes to 211 CMR 43.00 – its HMO regulation – on an emergency basis and issue a bulletin that would require HMOs and Blue Cross and Blue Shield to file their small group rates 30 days before their effective dates beginning with rates effective on April 1, 2010. The new regulation contained a requirement that insurers include supporting documentation with their filing such as claims history, utilization, non-fee-for-service provider payments, inpatient and outpatient trends, administrative expenses and contribution to surplus factors. The affected small group companies submitted filings on March 2, 2010. Internal and consulting actuaries reviewed the materials submitted by 9 HMOs and Blue Cross and Blue Shield of Massachusetts to identify whether the filings were complete and to identify areas of concern within the filings.

On April 1, 2010, the Division issued letters to seven companies to disapprove 235 out of 274 small group health insurance base rates. These carriers were also instructed to notify affected groups and individuals about the disapprovals and to credit groups or individuals when they had collected rates that had been subsequently disapproved. The remaining carriers limited their rate increases to 7.7% or less than the prior year's rates and were allowed to be put on file.

The Division was subsequently sued by the health insurance carriers in superior court to prevent the disapprovals. The plaintiffs alleged that the Commissioner's rate disapprovals were arbitrary, capricious, without authority and unconstitutionally confiscatory. They further claimed that without immediate relief from the Court, they would suffer substantial losses that would deplete their reserves, weaken their financial stability and in some cases threaten their near-term solvency. The Division argued that the matter was not properly before the Court, as the carriers had not gone through the administrative appellate process at the Division. The courts ruled that the Commissioner could disapprove the rates, that the carriers could be instructed to charge premiums based on April 2009 base rates, and that any challenges to the Commissioner's disapprovals would need to be made following an exhaustion of administrative hearings held at the Division.

All seven carriers filed to request administrative hearings of the disapprovals. Between April and August 2010, Division legal staff conducted adjudicatory hearings, both as advocates and adjudicators, in seven dockets relative to the Commissioner's denial of small group rate filings. A final decision and order overturning the Commissioner's small group rate filing denials was issued in the Harvard Pilgrim Health Care, Inc. and Fallon Community Health Plan dockets. Although Harvard Pilgrim entered into a negotiated settlement for rates to be charged for the remainder of 2010, Fallon did not. Fallon charged the rates that were included in the rate material that applied to groups issued or renewing coverage between April 2010 and March 2011.

The remaining administrative proceedings were resolved through negotiated settlements between the carrier and the Division, which included withdrawal of the carrier's appeal of the Commissioner's initial denial of their small group rates, as well as withdrawal of their petition in Superior Court. Negotiated settlements with the the following companies established rates to be used with accounts whose coverage were issued or renewed between April 1, 2010 and December 31, 2010:

- Harvard Pilgrim Health Care, Inc.
- Neighborhood Health Plan, Inc.
- Blue Cross and Blue Shield of Massachusetts, Inc.
- Blue Cross and Blue Shield of Massachusetts HMO Blue, Inc.
- Tufts Associated Health Maintenance Organization, Inc.
- Health New England, Inc.

Special Sessions on Group Health Insurance Cooperatives

The Division completed special sessions on January 12, 2010 to evaluate small group health insurance purchasing cooperatives and identify concerns with such arrangements and explore potential ways to address those concerns. A report summarizing findings and identifying policy options that could be considered if group purchasing cooperatives are permitted in Massachusetts was published in late June.

Employer-Sponsored Wellness and Health Management Programs

The Division contracted with Mercer Benefits Consulting to complete a report to survey employer-sponsored wellness and health promotion programs based on the size of the employer. Mercer's report was released in June 2010 and found that wellness and health management programs are not as common among small employers as with large employers.

Implementation of Chapter 207 of the Acts of 2010

On August 3, 2010, the Governor signed Chapter 207 of the Acts of 2010, *An Act Relative to Insurance Coverage for Autism*, which requires fully insured health plans in Massachusetts to provide benefits on a nondiscriminatory manner for the diagnosis and treatment of autism spectrum disorders. The Act provides that the annual and lifetime limits for diagnosis and treatment of autism spectrum disorder services cannot be less than that for physical conditions. The Division held five special sessions in September, October and November of 2010 to provide interested persons an opportunity to comment on the definitions of services and providers in the Act, as well as on obtaining mandated services, actuarial filings and educational plans. Staff collaborated with the Department of Mental Health and the Department of Education to understand the consequences of the new mandate and inform the drafting of necessary bulletins. The Division issued Bulletin 2010-15, *Insurance Coverage for Autism Spectrum Disorders*, to advise the industry on various matters related to the new law, including issues related to autism service providers, credentialing, networks, and provider directories.

Cost Containment: Implementation of Chapter 288 of Acts of 2010

On August 10, 2010, the Governor signed Chapter 288 of the Acts of 2010, *An Act to Promote the Cost Containment, Transparency and Efficiency in the Provision of Quality Health Insurance for Individuals and Small Businesses*. Chapter 288 creates several new requirements for carriers designed to assist in controlling costs in the small group insurance market. The law changes the definition of eligible individual, thereby limiting individuals' ability to enroll in health insurance plans only when they get sick. Chapter 288 also creates a specific period of open enrollment for individual coverage, provides for additional restrictions in the rating of small group products, and requires that companies offer tiered or selective provider network plans and plans that may be purchased through group purchasing cooperatives. Chapter 288 additionally amends the definition of what constitutes infertility, and further contains new financial reporting and medical loss ratio calculation and reporting requirements.

The implementation of Chapter 288 requires the promulgation of new or amended regulations by the Division in various areas, including the calculation of medical loss ratios, the delineation of financial reporting requirements, the enhanced review of small group rate filings and the creation of group purchasing cooperatives and certain selective or tiered provider network plans. Prior to drafting such new or amended regulations, the Division conducted a series of Special Sessions between September and November of 2010 to provide the industry, consumer advocates and the public an opportunity to comment on the various statutory changes created by Chapter 288. These sessions covered the following topics:

- New Small Group Rate Reviews - Information to be collected in rate filings, the time of filing reviews, consumer price index, medical loss ratio and contribution-to-surplus standards and refund procedure in the event companies do not satisfy MLR standards.
- Creation of Small Group Purchasing Cooperatives – Rules regarding how to develop associations, group purchasing cooperatives and wellness programs, enrollment systems, plan premiums and the timing of cooperative filings.
- Changes to Enrollment Rules – Expanded rules regarding plan termination and rating factors, open enrollment periods, waiver and plan termination rules, rating factors and selective and tiered networks.
- Changes to Provider Contract and Directory Rules – New rules for simplification of processing claims, selective or tiered provider network plans, and the timing of filing of such plans.
- Establishing the Methodology to Calculate Medical Loss Ratios – New standards for financial reporting requirements.

Health Regulations:

- Amendments to 211 CMR 41.00 Nongroup Health Insurance Rate and Policy Form Filings, Review and Hearing Procedures under M.G.L. c. 176M (to be promulgated in 2011)
- New 211 CMR 147.00 Methodology for Calculating and Reporting Medical Loss Ratios (MLRs) of Health Benefit Plans (Emergency Promulgation October 1, 2010)
- New 211 CMR 148.00 Registration and Reporting Requirements for Third-Party Administrators (to be promulgated in 2011)
- New 211 CMR 149.00 Comprehensive Financial Statements Pursuant to M.G.L. c. 176O, § 21 (to be promulgated in 2011)
- Amendments to 211 CMR 66.00 Small Group Health Insurance (promulgated April 1, 2011)
- New 211 CMR 151.00 Certified Group Purchasing Cooperatives (to be promulgated in 2011)
- New 211 CMR 152.00 Health Benefit Plans Using Selective, Regional or Tiered Provider Networks (to be promulgated in 2011)

Health Bulletins:

- 2010-05 - Small Group Rates Submitted by Blue Cross/Blue Shield of MA
- 2010-10 - Amendments to M.G.L. Chapter 176D Pursuant to Chapter 288 of the Acts of 2010
- 2010-12 - Notification to Residents About Open Enrollment Periods
- 2010-13 - Open Enrollment for Individuals

Thereafter, the Division's Legal Staff began drafting new and amended regulations to implement Chapter 288 and issued various bulletins to provide guidance to the industry. Bulletins were issued to provide guidance on small group rates filed by Blue Cross/Blue Shield; changes to the unfair trade practices law; and, changes to rules governing enrollment in individual health plans.

Federal Patient Protection and Affordable Care Act

The Division worked closely with other state agencies - including the Commonwealth Health Insurance Connector Authority, Department of Public Health, Department of Mental Health, and the Executive Office of Health and Human Services - to revise regulations and develop bulletins and guidelines to assist consumers and insurance carriers in complying with the new policies created by both state and federal health care reform.

The introduction of the federal Patient Protection and Affordable Care Act in 2010 necessitated that the Division monitor implementation of the required insurance changes. The Division issued bulletins, consumer alerts and carrier guidance on the impact of the federal law in 2010.

Advisory Committee on Uniform Billing and Coding

Recommendations:

- Carriers to Report Their Overall Results in Reaching the Statutory Goals for Accepting Codes
- Carriers to Report Their Status on Acceptance of Specific Codes
- A Method for Providers to Report Inconsistencies for the BMC to Utilize in Determining Future Actions

Advisory Committee on Uniform Billing and Coding

The Division coordinated meetings of the Advisory Committee on Uniform Billing and Coding. Representatives from local providers and payers make up this committee that is charged with providing recommendations to the Division for the adoption of policies and procedures on uniform billing and coding of health claims. Carriers submitted preliminary reports on compliance in 2010 in preparation for the first formal compliance reporting due in 2011 for the 2010 reporting year.

Health Care Quality and Cost Council

Division staff represented the Commissioner of Insurance on the 14-member Health Care Quality and Cost Council created under Chapter 58 of the Acts of 2006. The Council is responsible for creating and maintaining a website that presents the cost of certain procedures by health care provider and for examining ways to improve quality and address increases in overall health care costs.

In 2010, Council activities focused primarily on the collection of claims data from all licensed health insurance plans, analyzing that data and developing a website that illustrates the relative quality and cost of receiving a procedure, supply or service from one health care provider as opposed to another. The Council also completed and released its Roadmap to Cost Containment report, which outlines 11 key strategies to contain cost growth in health care and improve the quality of health care. The website – <http://hcqcc.hcf.state.ma.us> - that was created and launched in 2008 continues to be updated periodically with new measures and refreshed data.



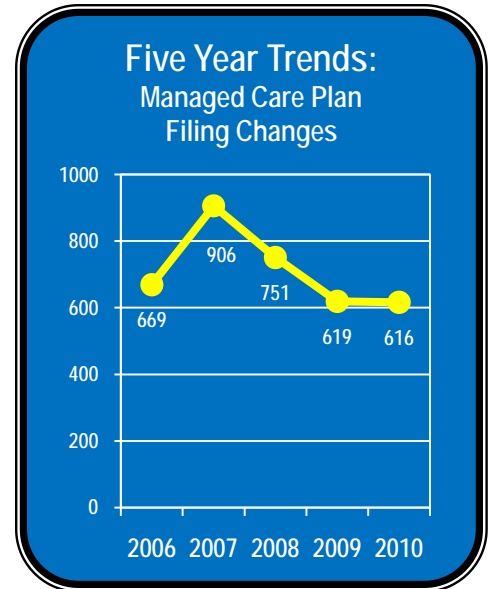
Managed Care Accreditation Reviews

The Division is responsible for conducting a comprehensive review of all insured health plans with managed care systems every two years to determine compliance with the requirements of M.G.L. c. 176O. Companies that are not accredited are not permitted to manage care in Massachusetts. In 2010, the Division completed the re-accreditation of 36 existing health insurance companies.

In addition, the Division completed the review of 616 filings that were material changes to already completed accreditation filings. Most of the materials submitted were changes to existing health insurance evidences of coverage.

Settlement with HealthMarkets

In late August 2009, the Division reached an agreement with HealthMarkets, Inc. (the parent company of MEGA Life and Health Insurance Company and Mid-West National Insurance Company of Tennessee) calling for the company to cease writing any new health insurance coverage in Massachusetts after September 30, 2009. In 2010, the Division continued to monitor HealthMarkets' actions to reconsider additional claims denied up through August 2009, giving its customers the potential for reimbursement for previously denied claims.

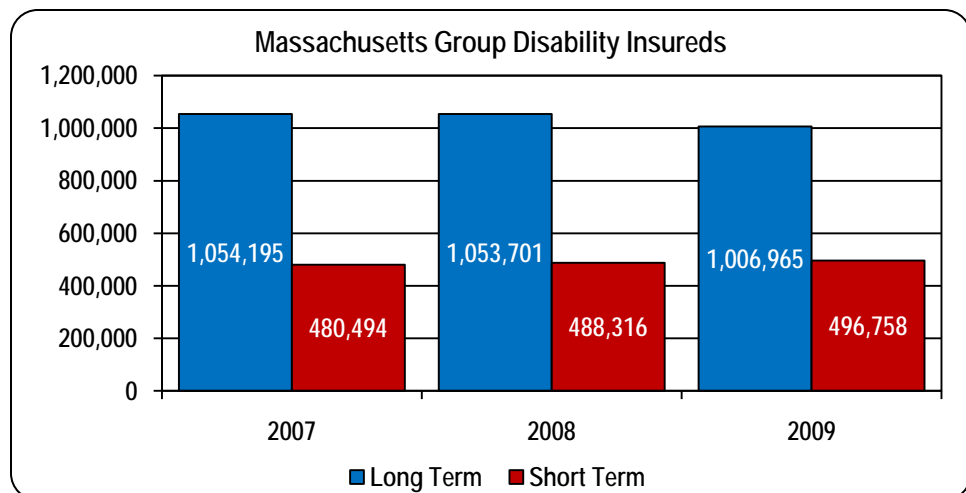
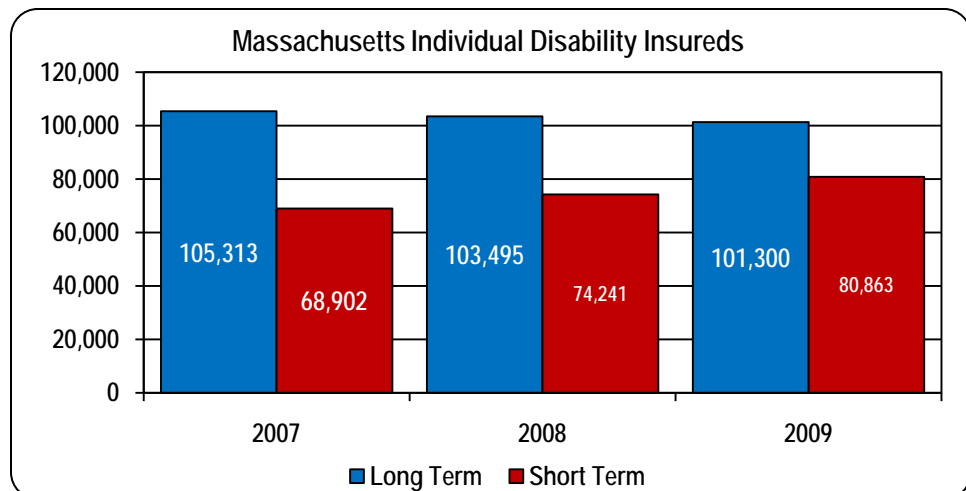


6.33 Market: Disability Income Insurance

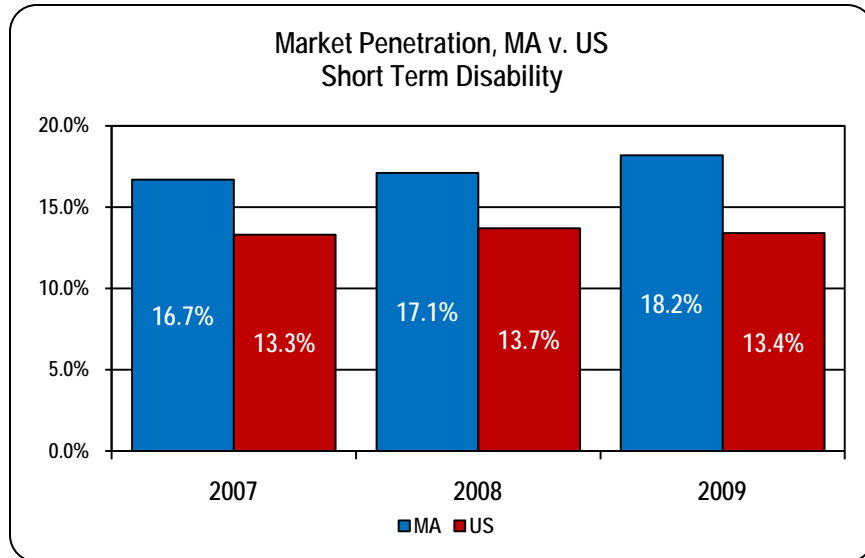
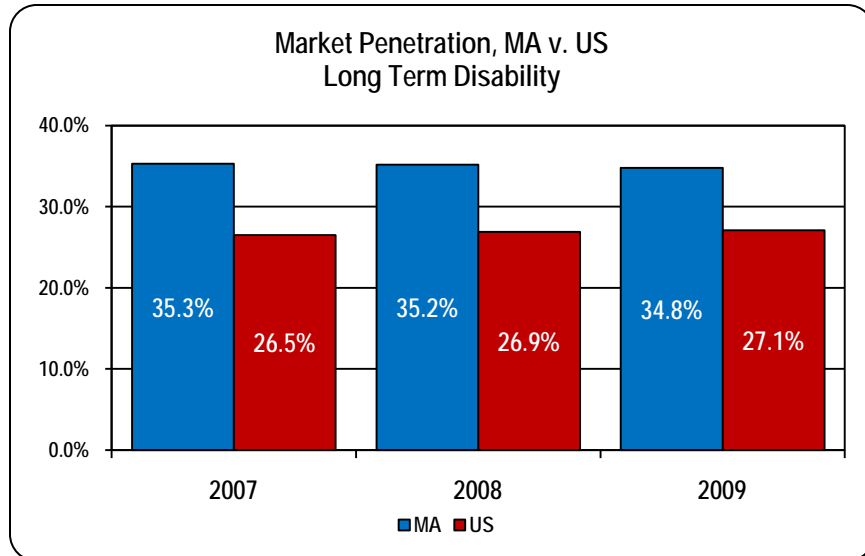
Examination of Market for Coverage

Disability income insurance covers the costs of replacing a portion of an insured's income in the event the insured becomes disabled and unable to return to his\her own job or any job depending on the terms of the policy. The coverage can be issued on an individual basis or as a certificate issued through an employer or association group policy. Disability income coverage is usually issued on a short-term (for disability periods lasting up to two years) or on a long-term (for disability period lasting longer than two years) basis.

The Division issued a survey in 2010 to study the 2007-2009 market for disability income insurance in Massachusetts, including the products purchased in the individual and group markets, and the ways that carriers offer products in these markets. The report showed that there were approximately 182,000 individual disability policies and 1.5 million group disability income certificates of coverage in effect in Massachusetts as of the end of 2009.

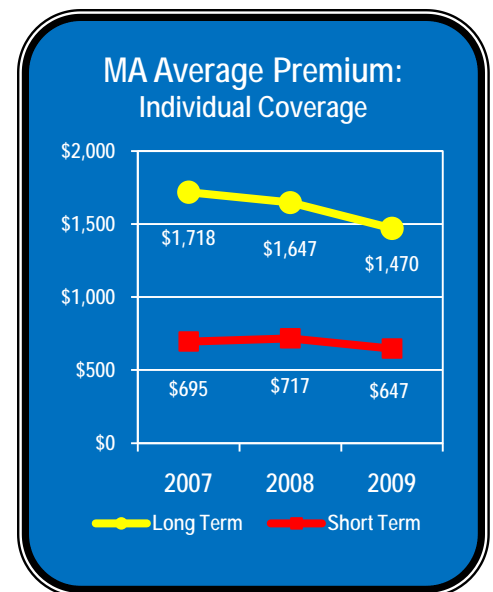
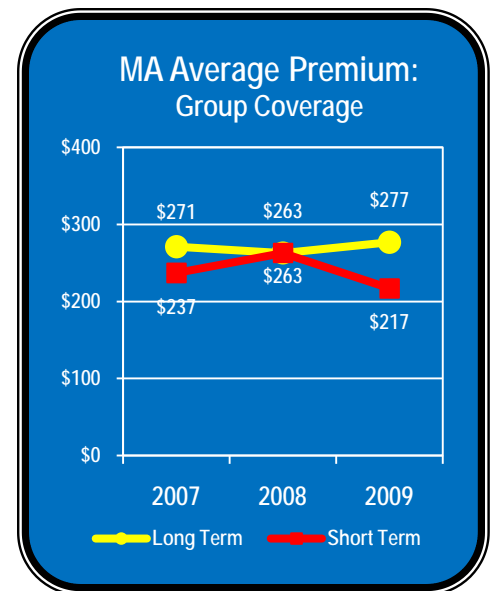


Considering the number of working adults in the Commonwealth in 2009, approximately 18% of all working adults held short-term disability coverage and approximately 35% held group coverage. This is a higher penetration of coverage than the national average where only 13% of working adults held short-term disability coverage and only 27% of working adults held long-term disability coverage.



The number of Massachusetts residents with disability income insurance coverage decreased slightly by 1.4% from 2007 to 2009.

Between 2007 and 2009, the average premium for individual coverage in Massachusetts decreased, while the average premium for group coverage in Massachusetts stayed relatively flat for the same time period.



6.34 Market: Home Insurance

Home insurance covers the cost of damage to one's home, as well as personal liability claims that may be filed against the owner of a home. The Division is responsible for:

- Monitoring the market for coverage
- Reviewing the activities of the residual market administered by the Massachusetts Property Insurance and Underwriting Association (FAIR Plan)
- Reviewing all company and FAIR Plan form, rule and rate submissions

Commissioner's Report on Home Insurance

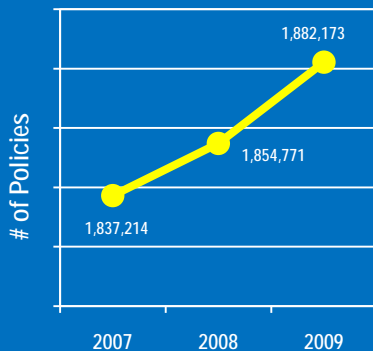
In 2010, State Rating Bureau staff completed a report (required under M.G.L. c. 175, §§ 4A and 4B) that examines the market for home insurance, the causes of home insurance loss, trends in cancellations/non-renewals and emerging trends in the availability of coverage - especially in coastal areas. A copy is available in the Publications and Reports section of the Division's website www.mass.gov/doi.

Among the findings of the report is that the number of Massachusetts home insurance policies written between 2007 and 2009 increased by approximately 27,402 policies.

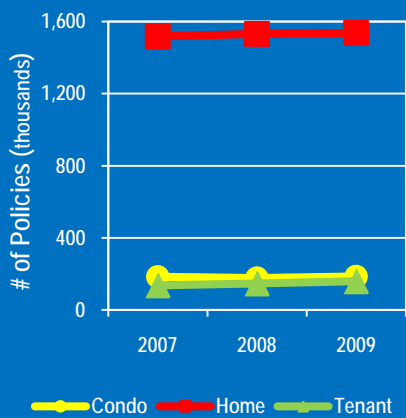
Among the three major types of coverage (condominium, homeowner's and tenant), the biggest relative change occurred in the market for tenant coverage, with 22,310 additional tenant policies written in 2009 compared to 2007.

Between 2007 and 2009, the average premium for tenant policies decreased, but the average premiums for condominium and traditional homeowner's insurance policies increased from \$388 per policy to \$435 per policy and from \$1,050 to \$1,064 per policy respectively.

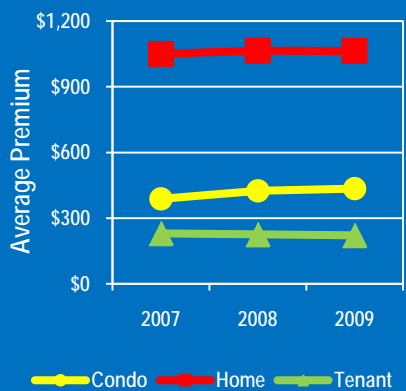
Total Home Insurance Policies



Total Policies by Coverage

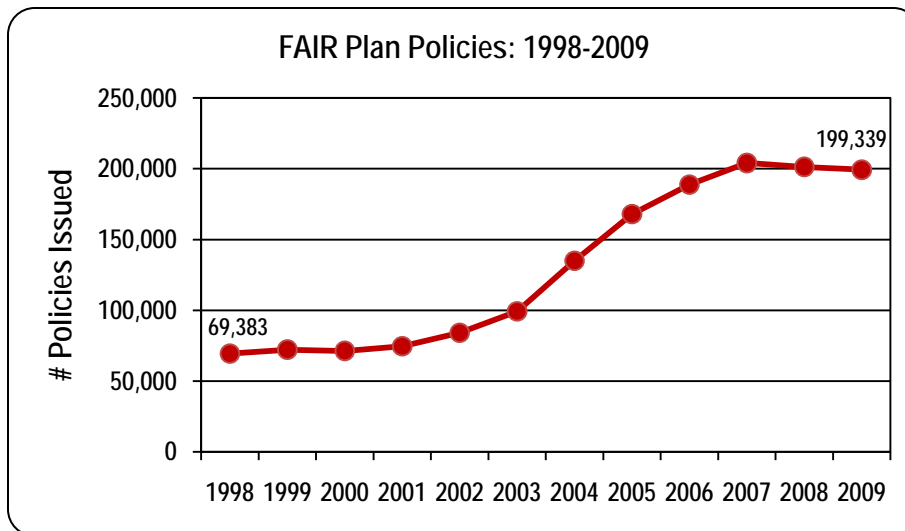


Average Premium by Coverage

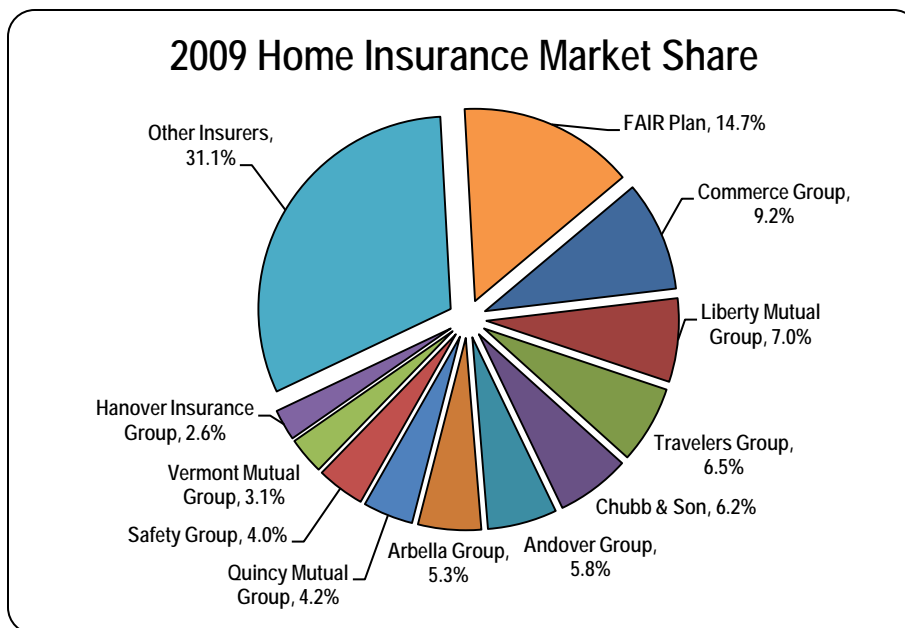


Availability of Coverage

In Massachusetts, the FAIR Plan provides coverage for home insurance when a homeowner cannot locate coverage from licensed home insurance companies. Beginning in 2003, the number of policies covered under the FAIR Plan increased dramatically as licensed companies began nonrenewing their coastal exposures in the Cape, Islands and southern Bristol and Plymouth Counties. While the figure remains high, we believe we have seen the FAIR Plan's overall market share plateau. By the end of 2009, the FAIR Plan decreased slightly to 199,339 in 2009 from a high of 204,101 policies in 2007.



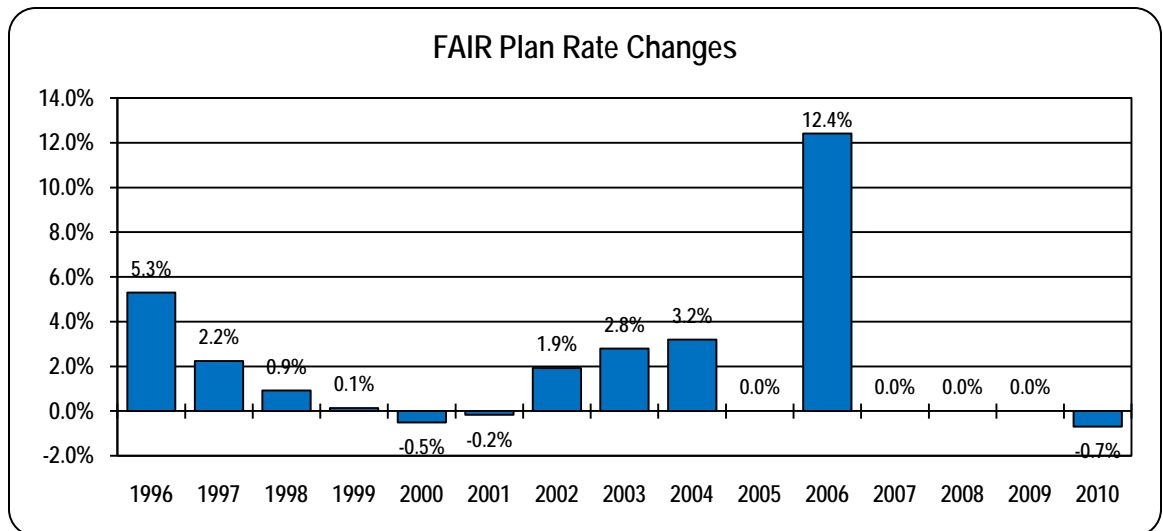
By the end of 2009, the FAIR Plan remained the largest home insurer, writing 14.7% of all 2009 home insurance premium in Massachusetts.



FAIR Plan Rate Hearing

On October 29, 2009, the Massachusetts Property Insurance Underwriting Association (MPIUA) submitted a rate filing for the FAIR Plan requesting new rates that would, on average, increase statewide homeowner multi-peril rates by 1.9%, without any changes to the rates in the Cape and Islands area. The Division held a rate hearing that began on December 15, 2009 to consider the actuarial merits of the filed rates. On January 14, 2010, the Commissioner approved a stipulation agreed upon by the FAIR Plan, Attorney General's Office and the State Rating Bureau that resulted in nearly a 1% decrease for home insurance policies statewide. In addition to the statewide average decrease, the stipulation eliminated a proposed 2.4% increase for policies in the Cape and Islands.

In the preceding FAIR Plan rate hearing, the FAIR Plan submitted a rate filing on March 21, 2008, requesting an average increase of 13.2%, with a 25% rate increase for the Cape and Islands area. The Commissioner decided on May 8, 2008 that the MPIUA failed to meet its burden of proof in the proceeding and the request was disapproved. The chart in the margin chronicles the FAIR Plan rates changes from 1996 through the 2010 decision.

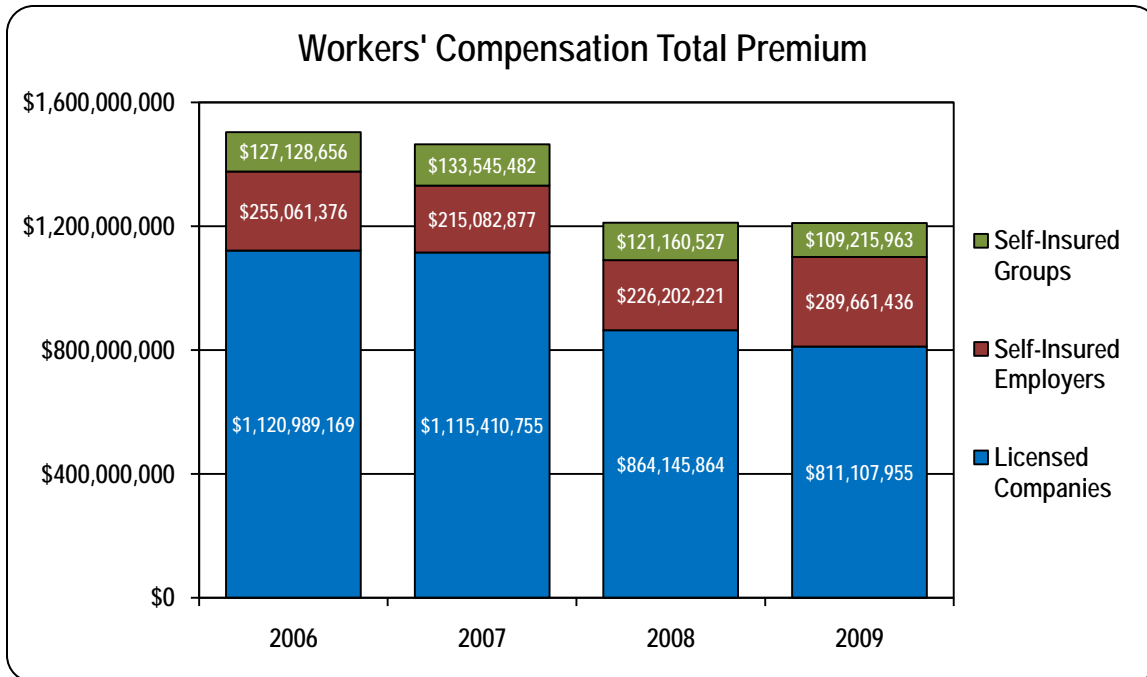


6.35 Market: Workers' Compensation

Workers' compensation insurance covers lost wages, medical costs and rehabilitation costs associated with work related accidents or illnesses. With few exceptions, employers are required to purchase workers' compensation coverage for their employees. The Division is responsible for monitoring:

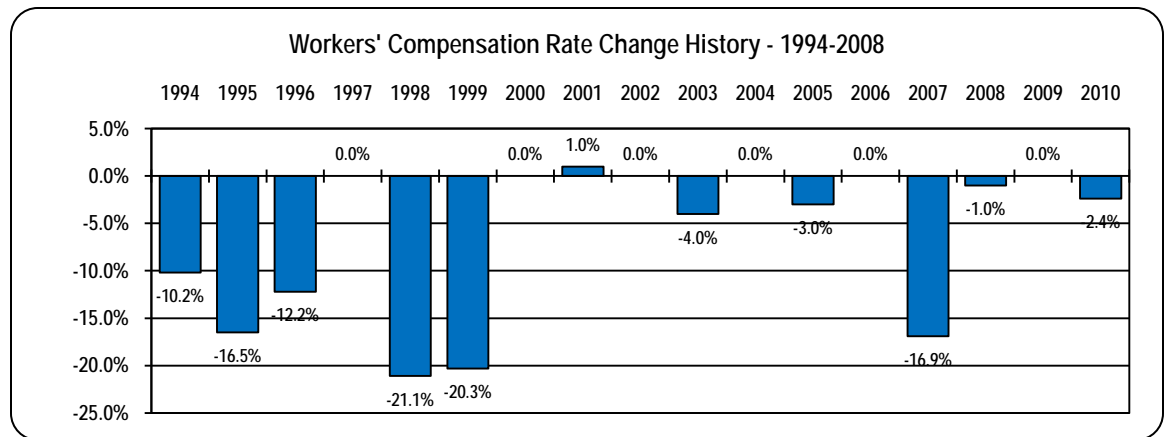
- Market-wide alterations in coverage
- The structure of the statistical plan documenting insurer loss and premium experience
- The health and efficiency of the residual market pool
- Industry-wide rates and rating programs for non-discrimination and actuarial appropriateness

The Division reviews all rate, rule, and form filings - including rate deviation filings. The coverage and rates are established according to the processes established under M. G. L. c. 152. Industry filings are coordinated through the Workers' Compensation Rating and Inspection Bureau of Massachusetts (WCRIB) - an entity licensed as a Rating Organization under M. G. L. c. 174A. The WCRIB also acts as the Division's Statistical Agent and Pool Administrator.

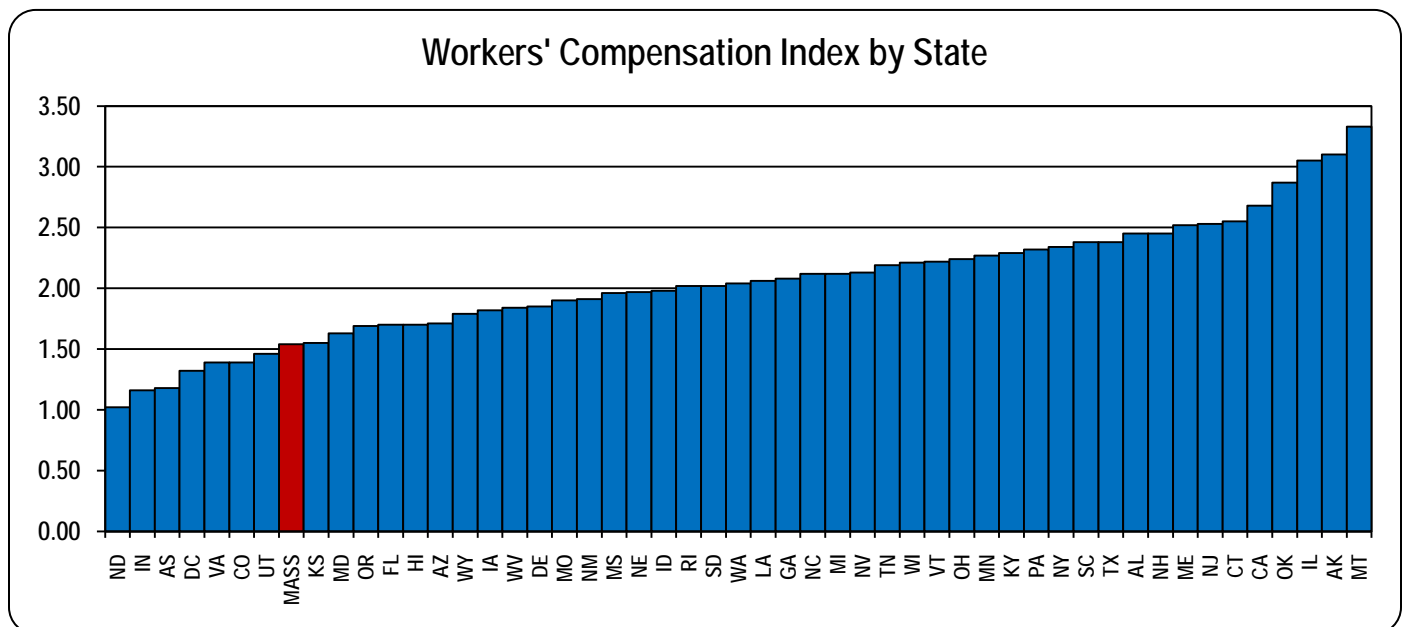


Rate Review

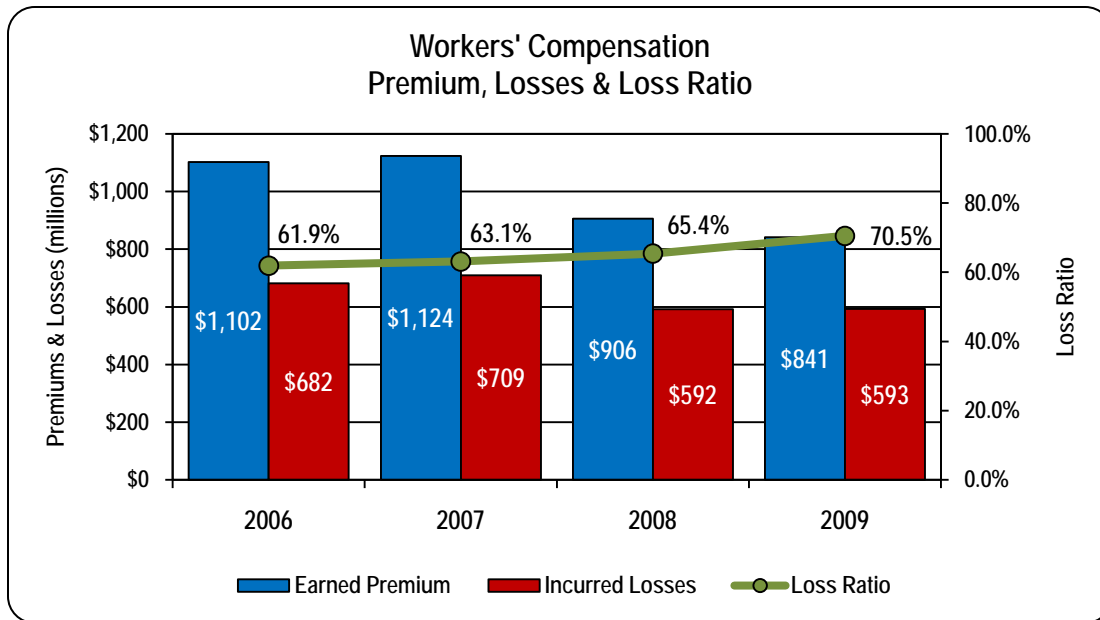
The Commissioner approved an agreement reached by the State Rating Bureau, the WCRIB and the Office of the Attorney General to reduce the average overall workers' compensation rates by 2.4% in 2010. This change saved Massachusetts employers about \$11 million in workers' compensation premiums. Approximately 50 carrier groups submitted downward deviation filings to the 2008 rates in 2009, with over 20 individual companies offering discounts of at least 20%. Many companies also made individual filings of various non-standard rating plans, rules and forms. The following chart illustrates the history of industry-wide rate changes since 1994.



A survey by the Oregon Department of Consumer & Business Services published in 2010 compared average worker's compensation rates paid by employers in the most common industrial classifications. The results of this survey showed that the average premium paid by Massachusetts businesses was among the lowest in the nation – only six states had a lower index rate.

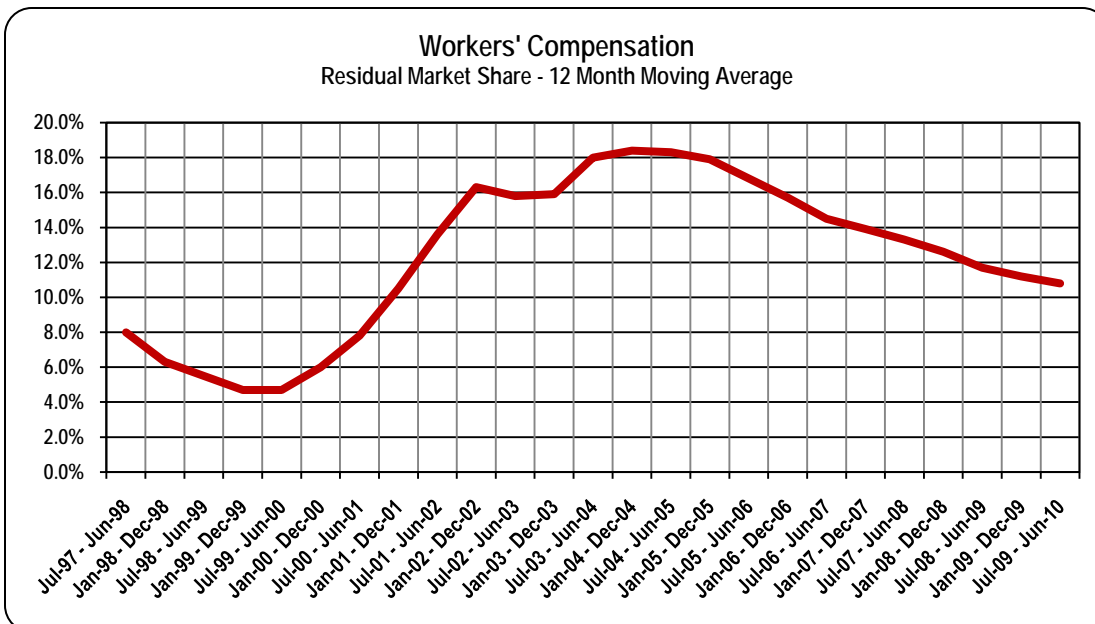


In addition, as can be seen from the calendar year information displayed below, in spite of the many rate reductions and downward company deviations over the last two decades, workers' compensation insurance continues to be profitable in Massachusetts.



Monitoring the Workers' Compensation Residual Market

Workers' compensation companies are permitted to decline risks which then obtain coverage through the Massachusetts Workers' Compensation Assigned Risk Pool. The Division monitors whether companies are increasing the number of risks covered through the pool. In spite of regular rate reductions, the proportion has declined steadily since 2005.



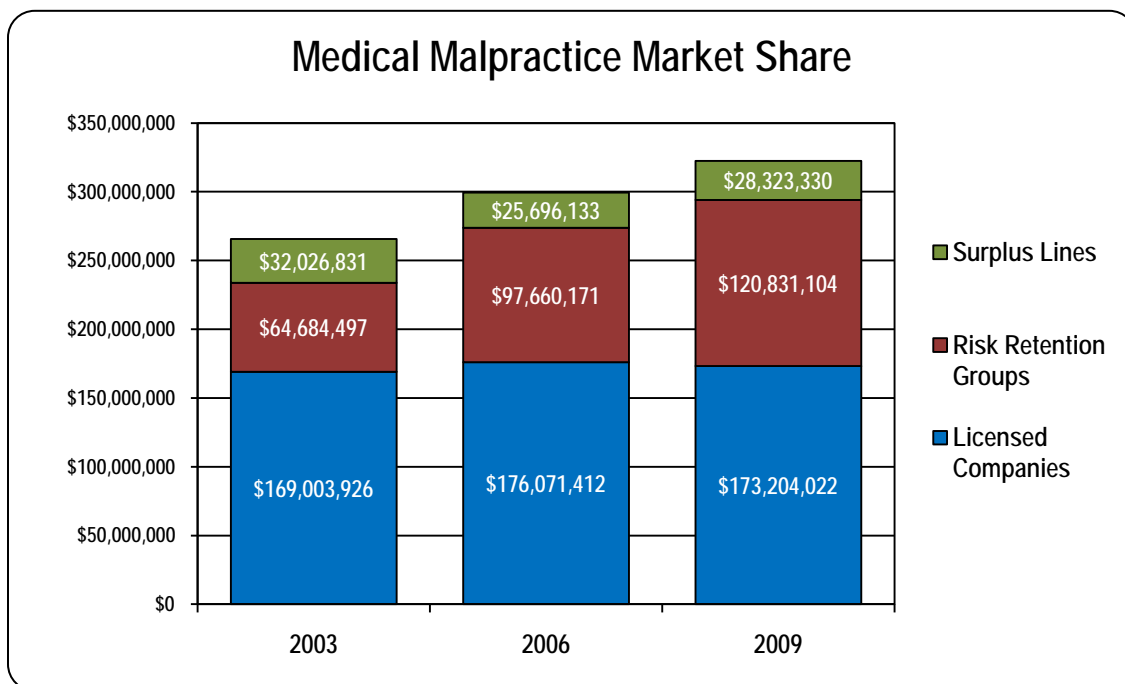
6.36 Market: Medical Malpractice Insurance

Medical malpractice insurance covers medical malpractice claims and the expenses associated with defending alleged medical malpractice. The Division is responsible for the following:

- Monitor the market for coverage
- Analyze and collect data
- Review the activities of the residual market pool
- Review all company-filed form, rule and rate filings

For 2010, the Division published the “Medical Malpractice Insurance in the Massachusetts Market 2009” report, which is available in the Publications and Reports section of the Division’s website – www.mass.gov/doi. Among the major findings of this year’s report:

- The cost of medical malpractice coverage for some providers is forcing them to think about dropping their practice or moving to other states to practice
- Premium dollars written increased from \$266 million in 2003 to \$322 million in 2009
- Proportion of coverage written in regulated market dropped from 63.6% in 2003 to 53.7% in 2009
- Proportion of coverage written in unregulated surplus lines and risk retention group markets grew from 36.4% in 2003 to 46.3% in 2009



6.37 Market: Life Insurance

There are four basic types of life insurance products:

- Whole Life - Permanent life insurance that remains in force for the insured's whole life and requires (in most cases) premiums to be paid every year into the policy.
- Term Life – Life insurance that covers an insured for a term of one or more years. It pays a death benefit only if the insured dies in that term. It generally does not build up cash value.
- Universal Life - Permanent life insurance based on a cash value. The policy is established with the insurer where premium payments above the cost of insurance are credited to the cash value.
- Variable Life - Permanent life insurance that builds a cash value. In a variable life policy, the cash value can be invested in a wide variety of separate accounts, similar to mutual funds, and the choice of which of the available separate accounts to use is entirely up to the contract owner.

In 2010, the Division of Insurance catalogued life insurance products that accelerate the death benefit under certain conditions. These options may permit the insured to accelerate the death benefit in the event that the insured met the policy definition of terminal illness, chronic illness or specified disease illness depending on the conditions identified within the policy. This information is intended to be included as a tool for consumers to understand their options when making financial planning decisions and evaluating alternatives to other products, including long-term care insurance. This information will be added to the Division of Insurance website in 2011.

6.38 Market: Credit Insurance

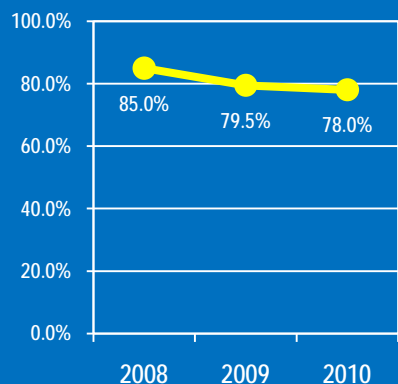
Credit insurance is offered with many non-mortgage loans and credit card applications. Depending on the coverage, these products will pay all or some portion of outstanding loan balances in the event of the death, disability or involuntary unemployment of the covered person. Insurance companies offering these policies must issue special disclosures that make the covered persons aware that they are not required to purchase the coverage to obtain the loan or credit. Insurers must also comply with special statutory loss ratio requirements.

The Division compiled an annual report on credit insurance based upon information submitted annually by the individual carriers. In the course of reviewing the data, the Division determined whether companies continue to satisfy the statutorily required minimum loss ratio for credit life (50%), credit accident and sickness (55%), and credit involuntary unemployment insurance (60%).

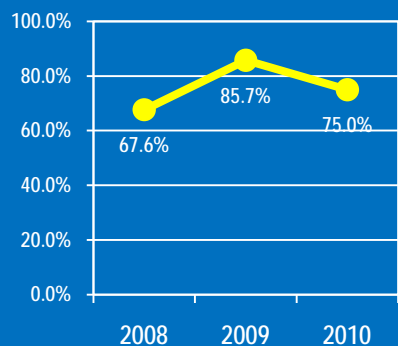
Based upon this review, the Division then contacted companies whose rates fall below those statutory minimums to revise their premiums. The charts in the margin illustrate the number of rate deviations filings received during 2010, highlighting the number who changed their rates because their loss ratios fell below the statutory minimum.

In general, the level of coverage issued in Massachusetts has continued to drop as other non-insurance debt relief products (*e.g.*, debt cancellation products) are available from banking institutions. Between 2007 and 2009, total reported incurred credit insurance premium for Massachusetts fell from \$35 to \$22 million as shown below.

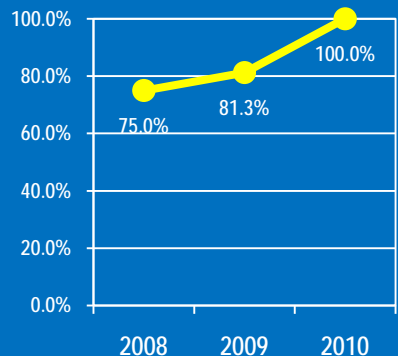
Credit Life
% Loss Ratio OK



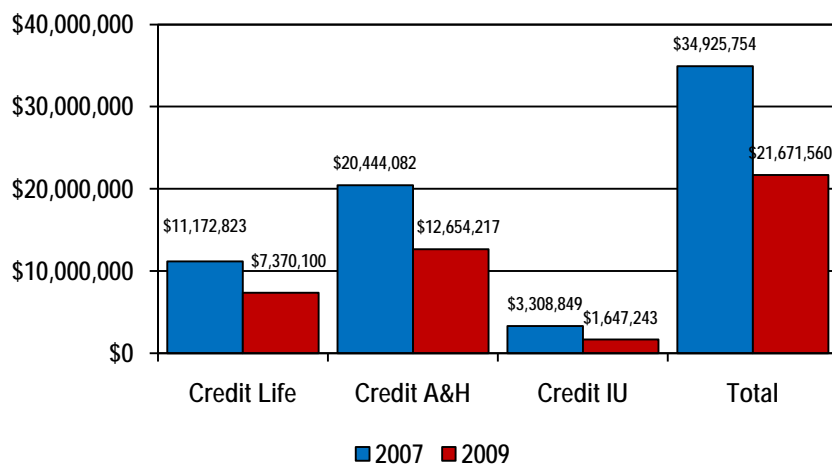
Credit Accident & Sickness
% Loss Ratio OK



Credit Involuntary Unemployment
% Loss Ratio OK



Credit Insurance Premiums
2006 - 2008



6.4 Policy Form Review

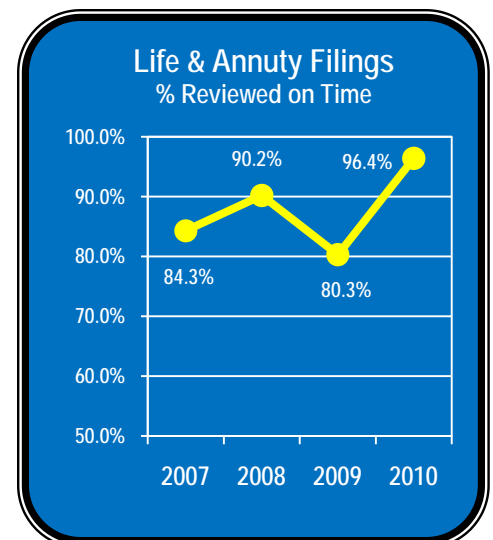
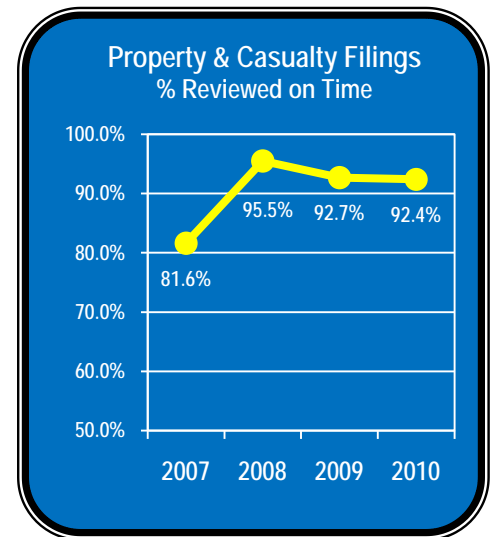
The Division reviews property & casualty, life & annuity, and accident & sickness filings made by insurance companies to ensure they are consistent with Massachusetts laws. The focus of these reviews is on consumer protection, adequate reserving for claims, and justification of rates.

Process Improvements

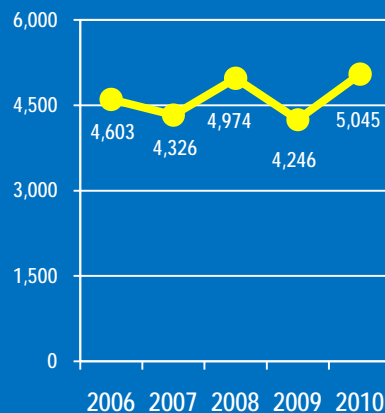
After implementing major changes in the process of reviewing filings in 2009, the Division concentrated on making smaller changes that built on those successes. We used the General Filing Instructions built into the System for Electronic Rate and Form Filing (SERFF), a platform designed and administered by the NAIC, to communicate small filing rule changes, update filers on enacted laws, and provide more detailed information on filing requirements. The mandated use of SERFF also allowed us to develop more accurate reporting and a much smoother public records interface.

The Division also continues to hold regular “filing forums”, which provide an opportunity for filers and examiners to exchange ideas about the filing process, pending legislation, and opportunities to improve the filing process. These forums also allow both regulators and industry to discuss any issues currently facing the insurance industry, and the role that form and rate filing may play in addressing those issues. This process was key in ensuring that the large number of filings required by Chapter 453 of the Acts of 2008 (a law requiring all insurers providing coverage to residences of 1 – 4 units to make coverage available for oil tanks, furnaces and lines) were received and placed on file in the required timeframe. By addressing the issue at a regularly scheduled forum meeting, the Division was able to outline an expedited process and administer the large number of filings in a timely and efficient manner.

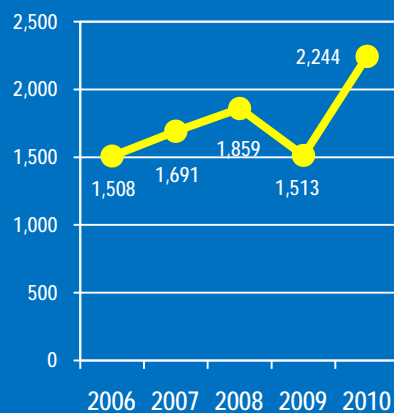
Because of efficiencies gained over the last few years, the Division completed a data clean-up effort, ensuring that the records held on SERFF were accurate and complete. In 2009, a massive project to scan and upload all of the Division’s paper filings into SERFF was begun. That project was completed in 2010, and the cleanup of extraneous data in SERFF was begun. In addition, the examiners for Life and Annuity and Individual Accident and Sickness were able to focus on improving their service times on submitted filings, resulting in an increased time service percentage across both of these lines, bringing them in line with Property and Casualty filings. There was an overall increase in the number of filings in 2010, resulting in fee revenues increasing to \$1,169,910 for the year.



Five Year Trends: Form Filings Received



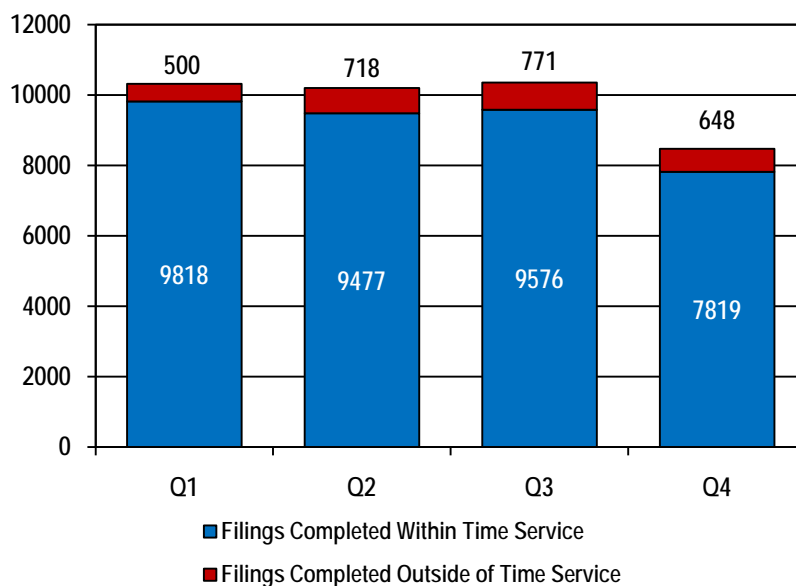
Five Year Trends: Rate Filings Received



File Scanning Project

The 2009 project to scan and upload all paper records held by the Division enabled the unit to destroy nearly 600 boxes of paper files before the Division's move to 1000 Washington Street. Although the Division is required to maintain these records, they are now maintained electronically on the NAIC's SERFF system. By destroying these duplicative paper copies, the Division saved the considerable expense of moving and storing this large number of boxes.

2010 Total Filings Completed By Quarter



Additional Product Review

In addition to the review of policy form, rate and rule filings, the Division reviews group marketing programs. The Division approved over 3,000 private passenger auto insurance group marketing plans and over 50 installment plans for use as of the end of 2010. These group marketing plans and installment plans are available to almost seven million eligible members; however, drivers can belong to multiple groups. The Division also approved over 1,600 group marketing plans for home insurance in 2010.

6.5 Hearings, Appeals & Litigation

In 2010, the Division held a variety of public hearings, including those concerning:

- Workers' compensation rates for 2010 as filed by the Workers' Compensation Rating and Inspection Bureau.
- The overall condition of the Massachusetts market for Medicare Supplement insurance.
- The rate paid to dentists participating in a dental plan's network.
- A dispute between a participating provider and the medical service corporation.

Division attorneys assisted in the review of the proposed acquisition of three Massachusetts domestic insurance companies and a hearing was held relative to each proposed transaction. Division enforcement counsel instituted nine administrative actions against Division licensees and defended six appeals of Division license denials.

Regulations & Bulletins

Throughout the year, the Commissioner of Insurance issues or amends insurance regulations pursuant to his various grants of authority in the Massachusetts General Laws. Insurance regulations are the technical rules and processes that a market needs to operate in an orderly fashion under the laws promulgated by the Legislature.

Beyond the formality of regulations, the Commissioner also issues insurance bulletins throughout the year. Bulletins are announcements to the insurance industry providing guidance or further explanation on important issues. They serve as a mechanism to announce how the Division will interpret specific insurance laws or to provide explanation and assistance to companies on specific procedures related to insurance regulation.

The Division's attorneys, actuaries and rating professionals provide the technical expertise needed to analyze and develop these specialized rules. New and amended regulations require public hearings or comment periods in order to secure input from the industry and consumers. Typically, bulletins are issued without public hearings.

In addition to health regulations described earlier in this section, the Division amended regulations on topics such as life insurance, credit insurance and actuarial opinions during 2010. The Division also issued 14 bulletins last year. In addition to the four health-related bulletins described earlier, topics ranged from the rating of motorcycle insurance policies to rules regarding the security and protection of personal information.

2010 Regulations:

- [Amendments to 211 C.M.R. 29.00](#) Valuation of Life Insurance Policies
- [Amendments to 211 C.M.R. 43.00](#) Health Maintenance Organizations
- [Amendments to 211 C.M.R. 58.00](#) Permitting Preferred Mortality Tables for Determining Minimum Reserve Liabilities
- [Amendments to 211 C.M.R. 130.00](#) Credit for Reinsurance
- [Amendments to 211 C.M.R. 132.00](#) Actuarial Opinion and Memorandum Regulation

2010 Bulletins:

- [2010-01](#) - Rating of Motorcycle Policies
- [2010-02](#) - Compliance with 201 CMR 17.00, Standards for the Protection of Personal Information of Residents of the Commonwealth
- [2010-03](#) - Coverage Required under Chapter 453 of the Acts of 2008 to be Offered to Home Policyholders for the Costs to Remediate Liquid Fuel Spills
- [2010-04](#) - Brokerage Agreements with Former ERPs
- [2010-06](#) - Involvement of Motor Vehicle Salespeople in the Solicitation, Negotiation or Sale of Motor Vehicle Insurance;
- [2010-07](#) - Requirements for Disclosure of Minimum Credible Coverage;
- [2010-08](#) - Policies and Procedures for Uniform Coding and Billing Compliance Monitoring
- [2010-09](#) - Deviated Case Rates for Credit Life and Credit Accident and Health Insurance Sold by Motor Vehicle Dealers Effective Between January 1, 2011 and December 31, 2013
- [2010-11](#) - Reporting and Rating Requirements Under M.G.L. c. 175E, Section 7A
- [2010-14](#) - Addendum to "Guide to Health Insurance for People with Medicare"

Occidental Appeal

Attorney General v. Division of Insurance and Occidental Fire and Casualty Company of North Carolina, No. SJ-2010-0417

On January 11 and March 3, 2010, the Occidental Fire and Casualty Company of North Carolina submitted filings relative to private passenger motor vehicle insurance rates to the Commissioner for his review pursuant to G.L. c. 175E. The Office of the Attorney General requested a hearing on those filings on the grounds that the rate increases and policy fees within those filings were excessive and unfairly discriminatory. The Commissioner found that Occidental had demonstrated that its rates and fee were reasonable in relation to the benefits provided and were not excessive, and that the policy fee was not excessive. The Attorney General subsequently appealed the Division's hearing decision to the Supreme Judicial Court, asserting that Occidental's rates were excessive and unreasonable, and should have been disapproved and Occidental intervened in that proceeding. In particular, the Attorney General alleged that no actuarial method was used by Occidental to justify its filed rates or \$25 policy fee as being reasonable or appropriate. The Attorney General also alleged that the Division improperly allowed Occidental to use the new rates earlier than 45 days after it filed the rates, notwithstanding the fact that the Division had completed its review of the proposed rates at that time. The appeal currently remains pending at the Supreme Judicial Court.

Anawan Appeal

Anawan Insurance Agency, Inc. & another v. Division of Insurance, No. SJC-10715

Anawan Insurance Agency and Stephen G. Michaels filed a complaint in Superior Court against the Division appealing a decision in an enforcement action in which the Division found that Anawan and Michaels engaged in insurance business transactions with an insurance agent who was not licensed to transact insurance business in Massachusetts, ordered Anawan and Michaels to cease and desist from certain activities and assessed a fine of \$30,000. Upon cross motions for judgment on the pleadings, the Superior Court affirmed the Division's decision holding that the plaintiffs had failed to establish any error of law or any other ground for reversal of the Division's decision. The plaintiffs appealed to the Appeals Court. The Appeals Court vacated the Superior Court's ruling with respect to the Division's imposition of fines under M.G.L. c. 176D, § 2 and ordered the court to remand the case to the Division re-imposition of fines under M.G.L. c. 175, § 177. The Appeals Court also ruled that the common law "discovery rule" did not apply to the accruing of the statute of limitations in the case. The Division sought additional appellate review on these two issues from the Supreme Judicial Court. Briefs were filed in September of 2010 and oral argument was held in January of 2011. In May 2011, the Supreme Judicial Court upheld the Superior Court decision that upheld the enforcement action by the Division.

Downing Appeal

The Division issued an Order to Show Cause against Mr. Downing in 2009 seeking revocation of his Massachusetts insurance producer license and the imposition of fines based on his alleged failure to disclose Massachusetts bar discipline on an insurance producer license application. After an evidentiary hearing, the Division issued a Decision and Order that revoked Mr. Downing's insurance producer license and assessed a fine. Mr. Downing appealed the Division's decision to the Superior Court. In the Fall of 2010, Downing moved for judgment on the pleadings, which the Division opposed. Oral argument on the motion currently is scheduled for September of 2011.

6.6 Receiverships

If a Massachusetts domestic insurance company's financial condition becomes impaired, the Commissioner of Insurance is empowered to seek judicial appointment as receiver of the impaired company. As receiver, the Commissioner acts as a fiduciary on behalf of the insurer's policyholders and creditors and seeks to provide that the insurer's obligations to its policyholders are met to the fullest extent possible. Although a receivership is designed to benefit all creditors of the impaired insurer, the protection of the insurer's policyholders is of upmost concern of the receiver.

Receiverships may involve plans to rehabilitate, run-off or liquidate the insurance company. If the Commissioner determines that an insurer lacks sufficient assets to meet all of its obligations to policyholders in the ordinary course of business, then the insolvent insurer will be liquidated. As a liquidator, the Commissioner marshalls the insolvent insurer's assets, liquidates those assets, adjudicates claims and makes distributions to approved creditors of the company.

If a foreign insurance company doing business in Massachusetts becomes financially impaired, the Commissioner may seek judicial appointment as ancillary receiver for the purpose of conserving the impaired foreign insurance company's assets in the Commonwealth for the benefit of such insurer's Massachusetts policyholders and creditors.

Active Domestic Receiverships:

In Liquidation

- Abington Mutual Liquidating Trust (06/09/1995)
- American Mutual Liability Insurance Company (01/17/1989)
- New England Fidelity Insurance Company (09/20/2000)
- Trust Insurance & Trust Assurance Companies (02/10/2000)
- Newburyport Mutual Fire Insurance Company (07/26/2006)
- Eastern Casualty Insurance Company (5/12/2009)

In Rehabilitation

- Attleboro Mutual Liquidating Trust (08/26/1992)
- Lumber Mutual Insurance Companies (11/01/2000)
- Monarch Life Insurance Company (06/09/1994)

Active Ancillary Receiverships:

- Legion Insurance Company (PA)
Estimated Assets: \$65,061,361
- Villanova Insurance Company (PA)
Estimated Assets: \$586,453
- Reliance Insurance Company (PA)
Estimated Assets: \$25,218,116
- Home Insurance Company (NH)
Estimated Assets: \$2,211,658

Closed Ancillary Receiverships:

- None

6.8 Special Investigations & Enforcement

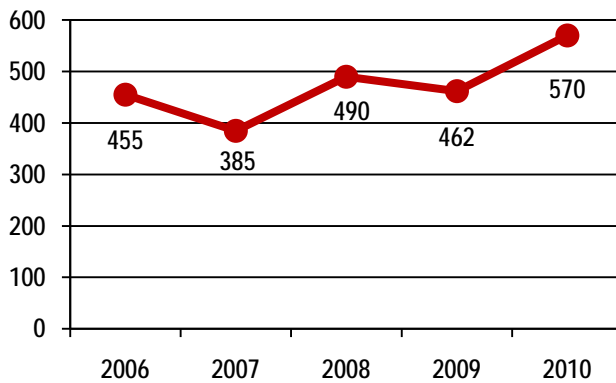
The Division of Insurance investigates allegations of misconduct by licensees and certain non-licensees, and recommends license enforcement action where appropriate. These investigations involve finding, reviewing and documenting evidence supporting allegations of unfair methods of competition, unfair or deceptive acts or practices in the business of insurance, and other violations of insurance laws and regulations. Division enforcement attorneys pursue appropriate license enforcement action by applying relevant law to the facts and evidence developed during the investigation.

In 2010, The Division closed 570 cases, resulting in the suspension or revocation of 13 individual insurance licenses and the assessment of \$260,030 in financial penalties and \$13,931 in restitution. These cases involved a variety of alleged violations of insurance law and regulation, including:

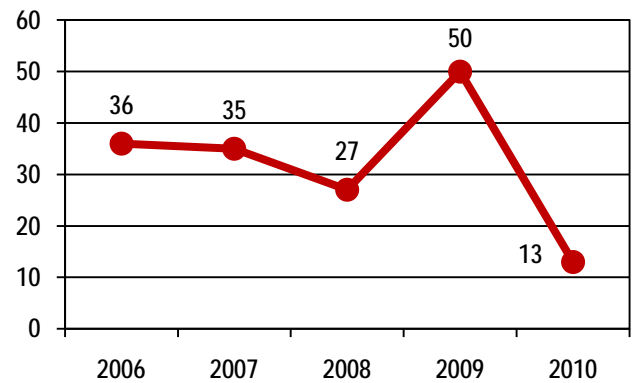
- Licensees failing to make appropriate disclosures on insurance license applications
- Licensees failing to timely disclose administrative or criminal matters to the Division
- Licensees engaging in forgery and/or theft of insurance premium
- Insurers issuing policies without proper license authority
- Insurers using unapproved policy forms, or issuing policies at unapproved rates
- Insurers failing to timely renew insurance producer appointments

The Division reports enforcement actions online to the NAIC's Regulatory Information Retrieval System (RIRS). We also participate in the online Fraud Reporting System, the State Regulatory Information Retrieval Alert Notification System, and the Special Activities Database sponsored by the NAIC.

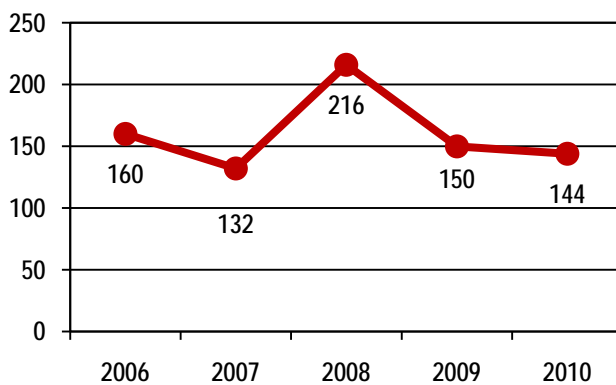
Five Year Trends:
Cases Resolved



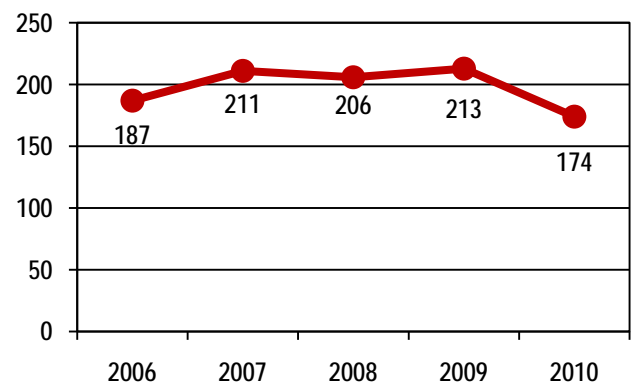
Five Year Trends:
Suspended or Revoked Licenses



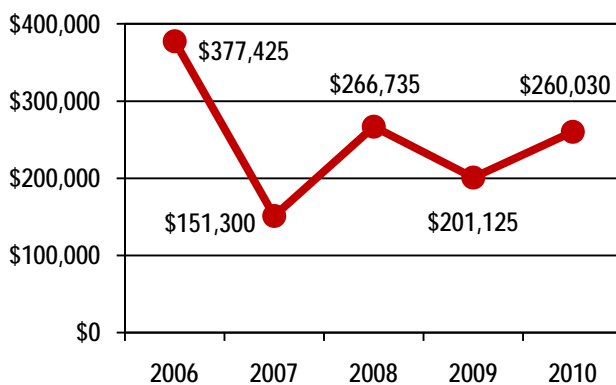
Five Year Trends:
Cease & Desist Orders



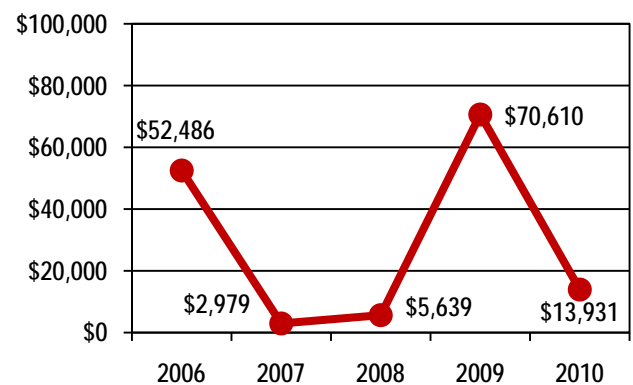
Five Year Trends:
Enforcement Referrals



Five Year Trends:
Financial Penalties



Five Year Trends:
Restitution Orders











7 - Administration

7.1 Purpose

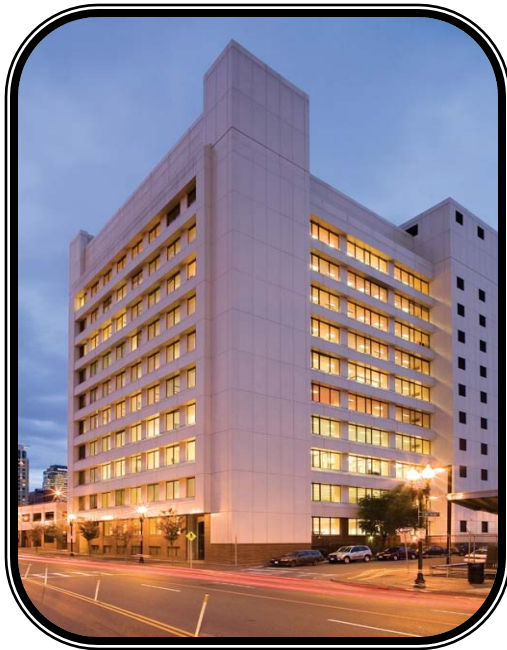
The various departments of the Division of Insurance work in multiple combinations to carry out the four core areas of insurance regulation. Their work requires extensive administrative and technological support so that the entire Division has the resources to carry out its regulatory mission.

- Administration - Ensures availability of adequate funding to carry out the Division mission. Maintains the efficient, accurate and secure receipt of revenue associated with fees, fines and assessments. Pays all of the Division fiscal obligations in a timely manner. Procures goods and services at the best value. Maintains a safe, secure and comfortable work environment for employees and visitors. Ensures compliance with federal, state and collective bargaining labor requirements. Promotes the availability of knowledgeable, motivated and trained human resources capable of carrying out the Division mission.
- Information Technology - Provides efficient and useful services and technology to the Division's internal user community, as well as to external constituents. Ensures that IT initiatives have clear business goals and success metrics that align with, and fully support the Division's mission. Ensures the protection of IT assets and the integrity, security and privacy of information entrusted to or maintained by the Division. Develops and manages the implementation of the Division's custom applications. Provides effective, reliable and responsive hardware, software, networking infrastructure, support services and development.

7.2 2010 Goals for Administration and Information Technology

- | | | |
|---|--------------------|---|
| • Coordinate all aspects of agency's move to new space at 1000 Washington Street, Boston. Manage all activities relating to relocation of agency. Following move to new space, oversee the implementation of new processes and procedures with building management. | Complete |  |
| • Complete billing of assessments according to timelines so as to ensure collection of all open receivables before year-end and compliance with state Comptroller guidelines and Division internal control plan. | Complete |  |
| • Collect all revenue in a timely and accurate way and ensure compliance with state comptroller guidelines and Division internal control plan. | Complete |  |
| • Complete all hiring and staffing requests in a timely way so as to ensure available human resources to carry out the Division mission. | Complete |  |
| • Guide agency users in drafting and issuing Requests for Responses for various needed professional services. Assist in evaluating and selecting vendors. Ensure procurements are completed in compliance with Operational Services Division requirements. | Complete |  |
| • Maintain compliance with Executive Order 504 Security Standards. | Complete |  |
| • Implement Phase I of the National Insurance Producer Registry Gateway project. | In Progress | |
| • Complete rebuild of the Board of Appeal case management system. | Complete |  |
| • Complete the consolidation of Information Technology to the Executive Office of Housing and Economic Development. | Complete |  |

1000 Washington Street



Executive Order 510

7.3 Primary Activities

Relocation of Agency to New Leased Space

In March 2010, the Division of Insurance and three other agencies in the Executive Office of Consumer Affairs and Business Regulation relocated their offices to 1000 Washington Street, Boston. The building, the former Teradyne headquarters, had stood vacant for a number of years in Boston's South End. With the signing of the leases, an eight-month construction project commenced which ultimately resulted in a near complete renovation of the building, including brand new HVAC, fire protection and security systems, as well as new cabling and telecommunications infrastructure.

The Division's project manager worked with architects, space planners, movers, electricians, installers, and other state agencies to bring the 31,000 square foot project to fruition. Some of the project's noteworthy successes are: centrally located hearing room space which is more accessible to members of the public; onsite parking for visitors and employees; free shuttle service for employees to South Station; a floor plan design that maximizes sunlight for all employees; increased file storage space for inactive files; superior finishes and architectural design throughout the space; and a highly attentive and responsive security staff.

Information Technology Consolidation & Executive Order 510

In July of 2010, efforts to consolidate the agency's IT services to the Secretariat level, in accordance with Executive Order 510 *Regarding the Enhancement of the Efficiency and Effectiveness of the Information Technology*, came to fruition when IT personnel previously assigned to the Division were transferred to the newly created Executive Office of Housing and Economic Development Information Technology (EOHED/IT) unit. These employees, as well as IT staff from three other agencies under EOHED, were physically relocated to offices at 1000 Washington Street. The aim of consolidation is to align Secretariat IT resources with their business strategies and priorities; standardize IT resources and create efficiencies; and, ensure that the Commonwealth's digital resource assets are secure.

With the physical consolidation of these employees complete, efforts turned to putting in place a governance model for the new unit and ensuring that the consolidation goals were met. A realignment of responsibilities was put in place and new sub-departments were created to focus priorities in the areas of Application Development, Network Services and Helpdesk. In addition, an IT Steering Committee was created in alignment with the governance model conceived early in 2009. The IT Steering Committee, which includes the Deputy Commissioner of Administration, meets regularly to review and approve budget items, prioritize projects and make recommendations for improving IT operations across the Secretariat.

Executive Order 504 – Security & Confidentiality of Personal Information

In September 2008, Governor Deval Patrick issued Executive Order 504 regarding the security and confidentiality of personal information. Executive Order 504 mandated that all state agencies in the Executive Department adopt and implement the maximum feasible measures reasonably needed to ensure the security, confidentiality and integrity of personal information, as defined in Chapter 93H, and personal data, as defined in Massachusetts General Laws Chapter 66A. Under the state law, the Division must develop, implement and maintain written information security programs governing the division's collection, use, dissemination, storage, retention and destruction of personal information. The programs must ensure that the Division:

- Collects the minimum quantity of personal information needed to accomplish the legitimate purpose for which the information is collected
- Securely stores and protects the information against unauthorized access, destruction, use, modification, disclosure or loss; provides access to and disseminates the information only to those persons and entities who reasonably require the information to perform their duties
- Destroys the information as soon as it is no longer needed or required to be maintained by state or federal retention requirements
- Addresses without limitation, administrative, technical and physical safeguards, and complies with all federal and state privacy and information security laws and regulations, including but not limited to all applicable rules and regulations issued by the Secretary of State's Supervisor of Public Records under Chapter 93H

In order to fully comply with Executive Order 504, the Division collaborated with the Commonwealth's Information Technology Division (ITD) Enterprise Security Board – an organization charged with the responsibility to develop and recommend enterprise security policies, standards, and guidelines designed to ensure the confidentiality, integrity and availability of the Commonwealth's IT resources.

After taking all remedial actions recommended by the ITD security team and after a careful review of the Division's submission to ITD Enterprise Security Board, the Division of Insurance received a pass mark and was found to be compliant with Executive Order 504. The mandate of EO 504 is not a one-time process. Rather, it is an ongoing security activity to which the Division is fully committed.

Executive Order 504: Enterprise Security Board Compliance Efforts

- Appointed an Information Security Officer who directly reports to Agency head and coordinates Agency's compliance
- Attended EO504 training provided for key implementation team members
- Developed and submitted a written Information Security Program including an Electronic Security Plan to ITD Enterprise Security Board
- Completed annual self audit questionnaire to assess the Division's implementation and compliance with guidelines, standards, and policies
- Required that all employees attend mandatory information security training on how to identify, maintain and safeguard records and data
- Verified that all vendors/contractors have acceptable security controls to prevent data breaches; and incorporate required certifications into contracts

Training Activities

In 2010, the Division coordinated several training sessions for agency staff, including:

- Sexual harassment training for managers and staff
- Preventing discrimination training for managers
- Interviewing secrets for hiring the best employees
- Monitoring employee email, texting and facebook accounts

In addition, Administration Department personnel received specialized training in the following areas:

- Procurement quick quote training
- Small business procurement training
- Litigation under the Americans with Disabilities Act.

Procurement Activities

In 2010, the Division issued several Requests for Responses:

- RFR-2010-DOI-001 Financial Services for Statutory Examinations and Transactions
- RFR-2010-DOI-002 Actuarial and Related Services
- RFR-2010-DOI-003 Market Conduct Examination Services

12 - National Association of Insurance Commissioners Activity

Each year, the Division of Insurance participates in a range of activities through the National Association of Insurance Commissioners (NAIC). The ability to combine information, perspective and expertise with our counterparts in other states is vital to the Division's ability to accomplish our mission. Linkages and information-sharing from state to state take place as the NAIC committees work via email, webinars and conference calls throughout the year. In addition, staff from the Division attend NAIC meetings regularly.

Property and Casualty Insurance (C) Committee

The mission of the Property and Casualty Insurance (C) Committee is to monitor and respond to regulatory issues associated with property or casualty insurance products, including issues regarding their delivery and cost. The Committee monitors property and casualty insurance markets and the surplus lines market. The Committee addresses regulatory issues associated with both personal lines (particularly auto and homeowners insurance) and commercial lines coverages. The Committee also monitors and responds to problems associated with financial reporting matters for property and casualty insurers that are of interest to regulatory actuaries and analysts and monitors and responds to problems associated with the financial aspects of the surplus lines market.

Catastrophe Insurance Working Group (C)

The Catastrophe Insurance (C) Working Group is appointed by the Property and Casualty Insurance (C) Committee to report progress at each national meeting on the following catastrophe insurance issues:

- Monitor and recommend measures to improve the availability and affordability of insurance and reinsurance related to catastrophe perils for personal and commercial lines.
- Evaluate potential state, regional and national programs to increase capacity for insurance and reinsurance related to catastrophe perils.
- Monitor and assess proposals that address disaster insurance issues at the federal and state levels; assess concentration-of-risk issues and whether a regulatory solution is needed.
- Provide a forum for discussing issues and recommending solutions related to insuring for catastrophe risk, including terrorism, war and natural disasters.
- Update the State Disaster Response Plan, as needed, so that it provides a blueprint for action by the states to respond to catastrophic events.
- Investigate the regulatory, financial and economic impacts of defects reported in drywall imported to the United States between 2004 and 2007. Examine property damage and bodily injury claims related to exposure to defective drywall.
- Provide a forum for discussing various issues related to catastrophe modeling and monitor issues that will result in changes to the Catastrophe Computer Simulation Modeling Handbook.

NAIC/IAIABC Joint Working Group (C)

The NAIC/IAIABC Joint Working Group is appointed by the Workers' Compensation (C) Task Force to study issues of mutual concern to insurance regulators and workers' compensation administrators. Review relevant model laws and papers and consider possible changes in light of the joint working group recommendations. The Working Group is to report the results of their ongoing charge at each national meeting.

Workers' Compensation Task Force (C)

The mission of the Workers' Compensation (C) Task Force is to study the nature and effectiveness of state approaches to workers' compensation and related issues, including but not limited to assigned risk plans, safety in the workplace, treatment of investment income in rating, occupational disease, cost containment, and the relevance of adopted NAIC model laws pertaining to workers' compensation. In 2010, the task force set goals to"

- Discuss issues arising with respect to advisory organization and insurer filings for workers' compensation.
- Provide assistance to participating states in conducting a 2010 multi-state examination of the National Council on Compensation Insurance.
- Appoint a Large Deductible Study Implementation Working Group to ensure that the NAIC charges presented in the Findings and Recommendations of the NAIC Workers' Compensation Large Deductible Study are properly completed. The Working Group is to report the results of their ongoing charge on an as-needed basis.
- Appoint a NAIC/IAIABC Joint Working Group to study issues of mutual concern to insurance regulators and workers' compensation administrators. Review relevant model laws and papers and consider possible charges in light of the joint working group recommendations. The Working Group is to report the results of their ongoing charge at each national meeting.

Large Deductible Study Implementation Working Group (C)

The Large Deductible Study Implementation Working Group is appointed by the Workers' Compensation (C) Task Force to ensure that the NAIC charges presented in the Findings and Recommendations of the NAIC Workers' Compensation Large Deductible Study are properly completed. The Working Group is to report the results of their ongoing charge on an as-needed basis.

Market Regulation and Consumer Affairs (D) Committee

The mission of the Market Regulation and Consumer Affairs (D) Committee is to monitor all aspects of the market regulatory process. This includes overseeing (1) the collection of market data, (2) the Market Information Systems, (3) automated applications, (4) the use of desk audits, examinations, interrogatories, investigations and other resources for monitoring market activities, and (5) the analysis of data relevant to market issues. In addition, the Committee will help identify and develop uniform regulatory standards and solutions to problems related to market issues. As part of this function, the Committee will facilitate interstate communication and coordinate collaborative state regulatory actions. The Committee will also review and make recommendations regarding the underwriting and market practices of insurers and producers as those practices affect insurance consumers, including availability and affordability of insurance.

Market Analysis Procedures Working Group (D)

The NAIC's Market Analysis Procedures Working Group (MAP) is the national forum for states to share and coordinate their market analysis programs. MAP reviews and coordinates state market analysis programs and develops procedures for uniform, nationwide analysis using their adopted Framework for Market Analysis. The group is charged with:

- Developing an MCAS blank to be used for the collection of data for additional lines of business.
- Developing a best practices guide to be used by state insurance regulators to analyze the MCAS data on a company-specific, group and national basis.
- Providing recommendations regarding the refinements and expansions to the data elements of the MCAS.
- Making recommendations for the enhancement and improvement of the Market Regulation Handbook market analysis chapters.

Market Actions Working Group (D)

The Market Actions Working Group (MAWG) reviews insurance companies that are identified with a current or potential market regulatory issue of national impact, or companies or issues that reach a certain mass of regulatory activity or interest. The Working Group initiates opportunities for regulatory collaboration to reduce duplicative efforts and promote efficiencies. Its members also provide expertise and guidance to ensure that appropriate regulatory actions are taken against insurers and producers, and that market issues are adequately addressed.

In addition, MAWG facilitates the communication and efficient coordination of collaborative regulatory responses among states, and encourages and facilitates the use of a broad continuum of regulatory responses. The Working Group also monitors and provides advice to, but does not necessarily participate in, collaborative actions addressing issues that impact only a small number of states.

Military Sales Working Group (D)

The Military Sales (D) Working Group set the following goal for 2010:

- Clarify and expand the definition of disciplinary actions that should be entered and maintained in both the DoD's and NAIC's databases (e.g. beyond terminated agents, and agents and companies banned from or limited in access to an installation) as recommended in the May 2009 GAO Report.
- Ensure that all relevant information (e.g. agent, agency and company name; specific violation descriptions; and characteristics of the life insurance product) on each disciplinary action is shared as recommended in the May 2009 GAO Report.
- Reach agreement on the mechanism to be used to share the collected information, such that the information is proactively and systematically communicated to both NAIC and DoD and can be readily searched by either as recommended in the May 2009 GAO Report.
- Continue to press the DoD to implement changes to myPay to "detect and minimize the use of myPay to initiate insurance allotments" as recommended in the May 2009 GAO Report.
- Serve as a forum for states to continue discussing multistate enforcement efforts against insurance companies that are violating the NAIC's Military Sales Practices Regulation, which every state has adopted.

Financial Conditions (E) Committee

The Mission of the Financial Condition (E) Committee is to be the central forum and coordinator of solvency-related considerations of the NAIC relating to accounting practices and procedures, blanks, valuation of securities, the Insurance Regulatory Information System (IRIS), financial analysis and solvency, zone examinations and examiner training and issues concerning insurer insolvencies and insolvency guarantees. In addition, the Committee interacts with the technical task forces.

Financial Analysis Working Group (E)

The Division also served as a member of the Financial Analysis Working Group during 2010. This group is a subgroup of the Financial Conditions (E) Committee. The mission of the Working Group is to:

- Analyze nationally significant insurers and groups that exhibit characteristics of trending toward or being financially troubled; and determine if appropriate action is being taken.
- Interact with domiciliary regulators and lead states to assist and advise as to what might be the most appropriate regulatory strategies, methods and action(s).
- Support, encourage, promote and coordinate multi-state efforts in addressing solvency problems, including identifying adverse industry trends.
- Increase information-sharing and coordination between state regulators and federal authorities, including through representation of state regulators in national bodies with responsibilities for system-wide oversight.
- Review and make appropriate updates and enhancements to the *Troubled Insurance Company Handbook*.
- Upon notice that a class of securities has been placed under regulatory review, the chair of Financial Analysis Working Group, or his or her representative, will be deemed a member of the Invested Asset (E) Working Group of the Valuation of Securities (E) Task Force. The chair, or his or her representative, is charged with contributing the perspective and expertise of the regulatory group to the development of NAIC regulatory guidance for the security under review.

Accounting Practices and Procedures Task Force (E)

The mission of the Accounting Practices and Procedures (E) Task Force is to identify, investigate and develop solutions to accounting problems with the ultimate goal of guiding insurers in properly accounting for various aspects of their operations and to modify the Accounting Practices and Procedures manuals to reflect changes necessitated by task force action and to study innovative insurer accounting practices which affect the ability of regulators to determine the true financial condition of insurers.

Financial Regulation Standards and Accreditation (F) Committee

The mission of the accreditation program is to establish and maintain standards to promote sound insurance company financial solvency regulation. The accreditation program provides a process whereby solvency regulation of multi-state insurance companies can be enhanced and adequately monitored with emphasis on the following:

- Adequate solvency laws and regulations in each accredited state to protect consumers and guaranty funds.
- Effective and efficient financial analysis and examination processes in each accredited state.
- Appropriate organizational and personnel practices in each accredited state.

The accreditation program will accomplish its mission by continually evaluating the adequacy and appropriateness of accreditation standards in accordance with the changing regulatory environment and through continued monitoring of accredited states by conducting the following accreditation reviews:

- Pre-Accreditation Reviews to occur approximately one year prior to a state's full accreditation review. This review will entail a high-level review of the financial analysis and financial examination functions to identify areas of improvement.
- Full Accreditation Reviews to occur once every five years subject to interim annual reviews. This review will entail a full review of laws and regulations, the financial analysis and financial examination functions, and organizational and personnel practices to assist in determining a state's compliance with the accreditation standards.
- Interim Annual Reviews to occur annually to maintain accredited status between full accreditation reviews. This review will entail a review of any law and regulation changes, the financial analysis and financial examination functions, and organizational and personnel practices to ensure continued compliance with the accreditation standards and to identify areas of improvement.

AIG Managing Task Force (EX)

The mission of the AIG Managing (EX) Task Force is to oversee the regulatory activities related to the AIG insurance subsidiaries and coordinating interaction among state regulators, federal government officials, company representatives, and international regulatory interests.

- This Task Force is charged with managing the NAIC and state regulatory activities related to the AIG insurance subsidiaries.
- The Task Force will utilize the AIG Special Working Group (name change from the existing all-member AIG Special Task Force) to coordinate interaction among state regulators, federal government officials, company representatives, and international regulatory interests.
- The Task Force will utilize a Form A Subgroup to manage the communication of information and coordination of activities related to the change in ownership approval process for insurers proposed to be sold by AIG holding company.
- The Task Force will utilize an AIG Life Working Group to ensure the specific regulatory concerns regarding the 17 life insurers in the AIG group are adequately addressed in the overall AIG plan and its implementation.

The AIG (EX) Special Working Group will coordinate interaction among state regulators, federal government officials, company representatives, and international regulatory interests.

Appendix A - Acts, Regulations & Bulletins

Acts of 2010

Chapter 176

An Act Relative To Savings Bank Life Insurance

This Act repeals M.G.L. c. 178A, which established the Savings Bank Life Insurance Company of Massachusetts (SBLIC). The Act authorizes SBLIC to adopt restated articles of organization and bylaws and provides that the company shall continue to have the rights, powers and privileges and be subject to all the duties, liabilities and restrictions of a domestic stock insurance company established under the provisions of M.G.L. c. 175. As such, SBLIC is no longer required to rate policies on a gender-neutral basis and is subject to the same six-year statute of limitations for contract actions as are other life insurance companies.

Chapter 202

An Act Regulation The Use Of Off-Highway And Recreational Vehicles

This Act concerns penalties for operating snow and recreational vehicles under the influence of alcohol or other substances and sets timeframes under which an operator may petition the Registry of Motor Vehicles for reinstatement of a lost operator's license. The Act further provides operators the right to appeal any action of the RMV to the Board of Appeals at the Division of Insurance and seek early relief in the form of a hardship, or a full license reinstatement. The Board of Appeal has discretion and authority to annul, affirm or modify any decision of the RMV, including if the penalty or decision is mandated by law.

Chapter 207

An Act Relative To Insurance Coverage For Autism

This Act requires insurers to provide benefits on a nondiscriminatory basis for the diagnosis and treatment of autism spectrum disorders. The annual or lifetime dollar or unit of service limitation on coverage for the diagnosis and treatment of autism spectrum disorders cannot be less than any annual or lifetime limits imposed on coverage for the diagnosis and treatment of physical conditions. The Act does not limit benefits that are otherwise available under a health insurance policy. Coverage is not subject to a limit on the number of visits an individual can make to an autism services provider, but care must be medically necessary. The Act does not affect any obligation to provide services to an individual under an individualized family service plan or an individualized education program or an individualized service plan. Services provided by school personnel are not reimbursable under the Act.

Chapter 235

An Act Relative To Qualified Financial Contracts

This Act amends the Massachusetts receivership laws with regard to how "netting agreements" and "qualified financial contracts" are to be treated in connection with an insolvent or financially impaired insurer. Previously, "netting", as defined in the Act, was not available and an insurer's obligation to other financial institutions was treated like all of its other obligations to general creditors. The Act amends M.G.L. c. 175, § 180A and adds a new M.G.L. c. 175, § 180L1/2 to recognize "netting agreements" and honor the priority of the payment obligations within these agreements regardless of whether the insurer is placed into rehabilitation or liquidation.

Chapter 237**An Act Relative To Exemptions
In The Massachusetts
Automobile Insurance Plan**

This Act amends certain provisions of M.G.L. c. 175, § 113H governing the residual market for automobile insurance in the Commonwealth. Previously, new entrants to the private passenger automobile insurance market were granted a two-year deferral before receiving assignments through the assigned risk plan in the residual market. This Act requires that new entrants begin receiving assignments in the assigned risk plan immediately upon writing policies in the Commonwealth, changes the composition of the residual market's Governing Committee, and provides that insurance producers writing risks through the residual market continue to "own" the expirations of those risks when the insurer writing such risks decides remove it from the residual market and writes the risk voluntarily. The Act also extends to 2015 the sunset of the exception to the provision in M.G.L. c. 175, § 193R which provides that group marketing plans may continue notwithstanding the fact that less than 35 per cent of its members are insured through the plan. The Act further provides that the Commissioner shall report to the Legislature on group marketing plans for motor vehicle insurance in effect for calendar years 2007 to 2010 no later than December 31, 2014.

Chapter 251**An Act Relative To The Licensure
Of Certain Health Plans**

This Act amends M.G.L. c. 176G, § 14 to require that health maintenance organizations renew their licenses every two years. The fee for such renewal shall not be less than \$1,000. Previously these licenses renewed annually.

Chapter 285**An Act Further Regulating
Workers' Compensation Insurance**

This Act amends M.G.L. c. 152, § 25C to provide a private right of action to recover workers' compensation coverage payments to individuals other than those to whom such payments are or were due. Any three persons believing that an employer violated some provision of Chapter 152 may now bring a civil action against that employer and the defendant employer is entitled to reasonable attorneys' fees and costs if the court dismisses the case.

Chapter 288**An Act To Promote Cost
Containment, Transparency
And Efficiency In The Provision
Of Quality Health Insurance
For Individuals And Small
Businesses**

This Act creates several new requirements for health insurance carriers primarily designed to promote cost containment in the small group health insurance market. The insurance provisions of these requirements include changes related to the definitions of eligible individual and infertility, the creation of open enrollment periods for individual coverage, restrictions on the rating of small group products, required offerings such as tiered or select network plans and group purchasing cooperative plans, and new financial reporting and medical loss ratio reporting requirements.

Chapter 313**An Act Relative To Postpartum
Depression**

In relevant part, this Act requires the establishment of special commission of which the Commissioner of Insurance is a member to conduct a study relative to post-partum depression. The study must include an assessment of current research on the subject, current policies and practices regarding screenings for post-partum depression, and other topics related to post-partum depression. The special commission must file an annual report with the Governor and the Legislature at the end of each fiscal year, including recommendations and draft legislation, as appropriate.

Chapter 409**An Act Making Appropriations For The Fiscal Year 2011 To Provide For Supplementing Certain Existing Appropriations And For Certain Other Activities And Projects**

Sections 18 through 20 of this Act make technical changes to M.G.L. c. 175, § 47C, M.G.L. c. 176A, § 8B, M.G.L. c. 176B, § 4C, M.G.L. c. 176G, § 4 to clarify that an insurer or a third party may not apply co-payments, coinsurance or deductibles to reimbursements for costs associated with early intervention programs unless the program is governed by the federal tax code and would lose its tax-exempt status if such co-payments, coinsurance or deductibles could not be applied for such services. Previously, the term "coinsurance" was not included within the specific list of cost-sharing features that could not be applied to early intervention services.

Chapter 462**An Act Relative To The Standard Fire Insurance Policy**

This Act provides that a commercial fire policy issued under M.G.L. c. 175, § 99 may exclude coverage for loss by fire or other perils insured against, if the fire or other perils are caused directly or indirectly by an "act of terrorism", as that term is defined in the federal Terrorism Risk Insurance Act of 2002 (TRIA), as amended. The Act further provides that such exclusions only may remain in effect until the expiration of the Terrorism Risk Insurance Program created by the TRIA, or its successor.

Chapter 469**An Act Relative To Home Service Contracts**

The Act repeals M.G.L. c. 175, §§ 149F through 149L, which the law that governed home warranty contracts, and replaces those provisions with new laws, M.G.L. c. 175, §§ 149M through 149X, which govern the marketing and sale of service contracts, as defined in the Act. The Act sets forth registration requirements for service contract providers, including financial requirements and the requirement that all service contracts be insured under a reimbursement insurance policy issued by an insurer licensed in, or a surplus lines carrier authorized to do business in, Massachusetts. The Act also provides the Commissioner with examination and enforcement authority over service contract providers, and further provides the Commissioner with authority to adopt regulations for the administration and enforcement of the new provisions.

Chapter 471**An Act Relative To Group Health Insurance**

This Act amends M.G.L. c. 175, § 110 to separate creditable coverage policies and supplemental health policies in a few limited areas for the purpose of the requirements imposed on an insurer, including the 75% participation requirement and the employer contribution requirement. Specifically, insurers are no longer prohibited from issuing supplemental policies to employers that have fewer than 75% of their employees participating in their health plans in order to offer supplemental health insurance to that employer. Additionally, the employer is no longer required to contribute a certain percentage or the premium before an insurer can issue a supplemental policy.

Chapter 473**An Act Relative To Compliance With Reserve Requirements Of Life Insurers**

This Act adds a definition of "statistical agent" to the definitional section of M.G.L. c. 175. It further adds a provision to M.G.L. c. 175, § 9, which pertains to the computation of reserves for life insurance companies, which authorizes the Commissioner to designate one or more statistical agents to assist the Commissioner and any authorized insurer to comply with M.G.L. c. 175, § 9 and any rules or regulations promulgated under that section.

Regulations

211 CMR 29.00

Valuation of Life Insurance Policies (amended)

This regulation provides life insurers with tables of select mortality factors and rules for their use, sets forth rules concerning a minimum standard for the valuation of plans with nonlevel premiums or benefits and sets forth rules concerning a minimum standard for the valuation of plans with secondary guarantees. The amendments remove the restriction on mortality adjustment factors in the deficiency reserve calculation, which allows companies to adjust the valuation mortality to mortality that approximates the expected mortality. Additionally, the amendments require the appointed actuary to disclose any impact the adjustment may cause.

211 CMR 43.00

Health Maintenance Organizations (HMOs) (amended)

This regulation implements M.G.L. c. 176G which governs Health Maintenance Organizations (HMOs). The amended regulation requires HMOs to file any proposed increases to small group rates or changes to rating factors, along with supporting materials, 30 days in advance of their effective dates. The regulation further provides that the proposed rates will be reviewed by the Division of Insurance and disapproved if the rates do not meet the requirements of M.G.L. c. 176G, § 16, i.e. are excessive, inadequate or unreasonable in relation to the benefits provided.

211 CMR 58.00

Permitting Preferred Mortality Tables for Determining Minimum Reserve Liabilities (amended)

This regulation permits life insurers to use specific mortality tables that recognize the difference between preferred and standard lives when determining minimum reserve liabilities, and applies to policies with an issue date of January 1, 2007 or later. The amendments allow life insurers to use the preferred mortality tables for policies with an issue date between January 1, 2004 and January 1, 2007, subject to prior approval by the Division.

211 CMR 130.00

Credit for Reinsurance (amended)

This regulation sets forth rules and procedural requirements that the Commissioner deems necessary to carry out the provisions of M.G.L. c. 175, § 20A relating to credit for reinsurance. Credit for reinsurance permits a ceding insurance company under statutory accounting and regulatory provisions to treat amounts due from reinsurers as assets or reductions from liability based on the status of the reinsurer. The amendments bring the regulation into conformity with an amendment to its enabling legislation.

211 CMR 132.00

Actuarial Opinion and Memorandum Regulation (amended)

This regulation prescribes requirements for statements of actuarial opinion, rules for the appointment of an appointed actuary and gives guidance as to the meaning of adequacy of reserves. The amendment clarifies the details required in the Regulatory Asset Adequacy Issues Report, by providing an example of results that may be of concern to the appointed actuary.

211 CMR 147.00

Methodology for Calculating and Reporting Medical Loss Ratios (MLRs) of Health Benefit Plans (new)

This regulation was promulgated pursuant to Chapter 288 of the Acts of 2010, *An Act to Promote Cost Containment, Transparency and Efficiency in the Provision of Quality Health Insurance for Individuals and Small Businesses*. The regulation establishes a methodology for calculating and reporting by carriers for the medical loss ratios of health benefit plans.

Bulletins

Bulletin 2010-01

Rating of Motorcycle Policies

Issued to remind insurance companies to rate motorcycle policies in strict accordance with their rating rules on file with the Division.

Bulletin 2010-02

Compliance with 2010 CMR 17.00, Standards for the Protection of Personal Information of Residents of the Commonwealth

Issued to remind licensees of their obligations pursuant to 211 CMR 17.00, *Standards for the Personal Protection of Personal Information of Residents of the Commonwealth*, as issued by the Office of Consumer Affairs and Business Regulation. Requires certain persons to establish a comprehensive written information security program to safeguard personal information.

Bulletin 2010-03

Coverage Required under Chapter 453 of the Acts of 2008 to be Offered to Home Policyholders for the Costs to Remediate Liquid Fuel Spills

Issued to remind homeowner's insurers of their obligation to make available coverage to residential property owners for the costs associated with the remediation of an oil spill, such coverage to be made available to policies offered, issued or renewed on or after July 1, 2010.

Bulletin 2010-04

Brokerage Agreements with Former ERPs

Issued to encourage insurers to offer brokerage agreements to former ERPs without voluntary contracts, which would permit a producer to sell insurance through an insurer and provides the producer an opportunity to cultivate a relationship with the insurer that may lead to a voluntary contract.

Bulletin 2010-05

Small Group Rates Submitted by BCBSMA

Issued to instruct Blue Cross and Blue Shield of Massachusetts, Inc. to file all small group health coverage rate increases or changes to small group rating factors, as defined in Ch. 176J, with effective dates on or after April 1, 2010, at least 30 days prior to their effective dates. Further provides that such filings are subject to the Commissioner's disapproval if the benefits and rates do not meet the requirements of the law.

Bulletin 2010-06

Involvement of Motor Vehicle Salespeople in the Solicitation, Negotiation or Sale of Motor Vehicle Insurance

Issued in response to complaints that motor vehicle salespeople were assisting customers with the purchase of insurance, including recommending certain companies. The bulletin reminds insurance companies and those involved in the sale, finance, registration or insurance of motor vehicles that only licensed insurance producers are permitted to sell or solicit insurance.

Bulletin 2010-07

Requirements for Disclosure of Minimum Creditable Coverage

Issued to replace Bulletin 2008-02. Notifies all health carriers that they must disclose to insureds and potential insureds a health plan's minimum creditable coverage status and whether the plan satisfies the individual coverage mandate of the MA Health Care Reform law.

Bulletin 2010-08

Policies and Procedures for Uniform Coding and Billing Compliance Monitoring

Issued to describe the policies and procedures for health carriers to report compliance with requirements for uniform coding and billing as M.G.L. c. 176O, § 5A requires managed care companies to accept and recognize patient diagnostic information and patient care service and procedure information consistent with the current Health Information Portability and Accountability Act (HIPAA) compliant code sets.

Bulletin 2010-09

Deviated Case Rates for Credit Life and Credit Accident and Health Insurance Sold by Motor Vehicle Dealer Effective Between January 1, 2011 and December 31, 2013

Issued to inform insurers writing credit life and credit accident and health insurance in Massachusetts for the motor vehicle dealer class of business that the Commissioner will review the combined experience of all such insurers and compute the deviated case rates for such insurance sold through motor vehicle dealers, for policies issued or renewed between January 1, 2011 and December 31, 2013, and advises insurers of such rates.

Bulletin 2010-10

Amendments to M.G.L. c. 176D Pursuant to Chapter 288 of the Acts of 2010

Issued to highlight amendments to the Unfair Trade Practices Law, M.G.L. c. 176D, which expand upon prohibited unfair methods of competition or unfair or deceptive acts or practices in the business of insurance. The amendments change the definition of “boycott, coercion and intimidation”, and require carriers that have contracts inconsistent with the new provisions to bring the contracts into conformity by the earlier of October 1, 2011 or the contract’s renewal date.

Bulletin 2010-11

Reporting and Rating Requirements Under M.G.L. c. 175E, Section 7A

Issued to identify necessary steps an insurance company issuing private passenger motor vehicle insurance policies must take in the event that the Board of Appeals or a court reverses the company’s at-fault determination regarding an insured’s motor vehicle accident. An insured must, in such a case, adjust the insured’s premium and report the reversal to the Merit Rating Board and any other data collection agency to which the insurer reported the at-fault determination.

Bulletin 2010-12

Notification to Residents about Open Enrollment Periods

Issued to highlight amendments to the small group health insurance law, M.G.L. c. 176J, which specify, among other things, the times during which an eligible individual can enroll in an individual health plan, including specified open enrollment periods for certain individuals.

Bulletin 2010-13

Open Enrollment for Individuals

Issued to highlight amendments to the small group health insurance law, M.G.L. c. 176J, which creates a new mandatory open enrollment structure for individuals seeking coverage in the small group-individual market, or merged market, effective December 1, 2010. As of that date, eligible individuals who do not meet the standards for immediate enrollment into individual coverage in a merged market health plan will be able to apply for and purchase coverage only during certain open enrollment periods.

Bulletin 2010-14

Addendum to “Guide to Health Insurance for People with Medicare”

Provides a copy of the “Massachusetts bulletin for People with Medicare”, which must be provided along with the current “Guide to Health Insurance for People with Medicare” to those people eligible for Medicare under MA regulations.

Bulletin 2010-15

Insurance Coverage for Autism Spectrum Disorders

Issued to highlight new provisions related to coverage of Autism Spectrum Disorders, which require fully insured health plans to provide benefits for the diagnosis and treatment of autism spectrum disorders on a nondiscriminatory basis to all residents of Massachusetts and to all insured having a principal place of employment in Massachusetts.

Appendix B - Select 2010 Financial Information from Massachusetts Domestic Companies

Property & Casualty Insurance Companies

NAIC#	Company Name	Total Premium Written in MA as of 12/31/2010	Total Premium Written as of 12/31/2010	Total Net Assets as of 12/31/2010	Total Liabilities as of 12/31/2010	Total Surplus as of 12/31/2010
10017	Arbella Ind Ins Co	\$8,362,495	\$9,221,348	\$41,713,298	\$23,951,735	\$17,761,563
10206	Medical Professional Mut Ins Co	\$134,383,137	\$134,383,137	\$2,799,747,459	\$1,822,254,326	\$977,493,133
10230	Commonwealth Reins Co	\$0	\$0	\$35,761,225	\$22,001,074	\$13,760,150
10231	Commonwealth Mut Ins Co	\$74,431	\$74,431	\$5,626,416	\$35,282	\$5,591,134
10394	Bunker Hill Ins Co	\$34,301,887	\$39,409,648	\$45,735,241	\$19,592,733	\$26,142,508
10638	Proselect Ins Co	\$2,136,794	\$173,866,478	\$75,621,482	\$52,106,753	\$23,514,729
10664	Endeavour Ins Co	\$2,692,722	\$2,718,513	\$5,017,419	\$15,412	\$5,002,007
11104	Associated Employers Ins Co	\$13,709,992	\$13,709,992	\$4,657,474	\$604,273	\$4,053,201
11984	Independence Cas Ins Co	\$12,801,762	\$12,982,614	\$3,857,432	\$13,611	\$3,843,821
12154	Encompass Ins Co of MA	\$47,281,649	\$47,281,649	\$6,367,194	\$73,170	\$6,294,025
12484	Liberty Mut Personal Ins Co	\$10,859	\$10,859	\$6,702,424	\$4,062	\$6,698,362
12725	New England Mut Ins Co	\$0	\$0	\$28,958,236	\$7,429,583	\$21,528,653
12808	Safety Prop & Cas Ins Co	\$6,761,435	\$6,820,314	\$36,011,706	\$20,759,531	\$15,252,175
12850	Premier Ins Co Of MA	\$190,565,000	\$190,565,000	\$412,029,895	\$202,346,209	\$209,683,686
12886	Massachusetts Employers Ins Co	\$17,856,018	\$17,856,018	\$4,022,560	\$635,299	\$3,387,261
13163	Hospitality Mut Ins Co	\$5,172,373	\$5,172,373	\$42,131,739	\$17,769,636	\$24,362,103
13374	Arrow Mut Liab Ins Co	\$2,948,612	\$3,152,792	\$43,491,584	\$15,430,370	\$28,061,214
13463	Barnstable Cnty Mut Ins Co	\$28,911,325	\$28,911,325	\$85,183,174	\$22,016,383	\$63,166,791
13643	Plymouth Rock Assur Cas Co	\$0	\$0	\$15,887,147	\$11,059,488	\$4,827,659
13706	Dorchester Mut Ins Co	\$19,743,741	\$21,807,931	\$56,232,496	\$25,053,314	\$31,179,182
13943	Fitchburg Mut Ins Co	\$11,114,309	\$27,206,094	\$80,635,003	\$36,821,717	\$43,813,286
14192	Hingham Mut Fire Ins Co	\$27,601,051	\$39,540,905	\$83,218,805	\$42,445,879	\$40,772,926
14206	Holyoke Mut Ins Co In Salem	\$23,054,808	\$48,398,261	\$200,321,761	\$112,993,982	\$87,327,779
14486	Liberty Mut Mid Atlantic Ins Co	\$0	\$221,797,556	\$18,701,242	\$2,690,044	\$16,011,198
14613	Montgomery Mut Ins Co	\$0	\$33,658,456	\$48,290,043	\$3,463,303	\$44,826,740
14737	Plymouth Rock Assur Corp	\$206,198,343	\$217,593,058	\$372,796,330	\$235,290,977	\$137,505,353
15067	Quincy Mut Fire Ins Co	\$170,189,992	\$217,468,358	\$1,227,020,553	\$450,198,712	\$776,821,841
17000	Arbella Mut Ins Co	\$463,340,747	\$463,340,747	\$1,003,078,844	\$529,223,823	\$473,855,021
19763	Bay State Ins Co	\$2,199,937	\$25,522,292	\$324,002,610	\$115,209,498	\$208,793,112
19771	Cambridge Mut Fire Ins Co	\$30,885,726	\$105,553,117	\$603,194,635	\$267,830,034	\$335,364,602
19798	Merrimack Mut Fire Ins Co	\$136,186,973	\$267,838,458	\$1,002,267,128	\$382,130,136	\$620,136,993
20621	OneBeacon Amer Ins Co	\$27,372,496	\$419,632,693	\$485,710,693	\$321,942,495	\$163,768,198
20648	Employers Fire Ins Co	\$38,456,762	\$277,957,995	\$88,191,301	\$30,084,858	\$58,106,443
21261	Electric Ins Co	\$25,846,741	\$392,510,111	\$1,406,629,655	\$958,863,085	\$447,766,573

21750	Pilgrim Ins Co	\$37,892,292	\$37,892,292	\$53,645,752	\$41,889,608	\$11,756,144
23043	Liberty Mut Ins Co	\$495,325,617	\$3,942,769,304	\$36,701,548,343	\$22,938,257,314	\$13,763,291,029
23965	Norfolk & Dedham Mut Fire Ins Co	\$97,767,817	\$101,888,688	\$277,122,305	\$127,032,001	\$150,090,304
31887	Coface N Amer Ins Co	\$2,627,194	\$71,788,577	\$109,742,633	\$59,976,816	\$49,765,817
33618	Safety Ind Ins Co	\$93,353,251	\$93,969,787	\$92,980,343	\$47,994,736	\$44,985,607
33758	Associated Industries Of MA Mut Ins	\$49,060,319	\$55,280,090	\$379,559,046	\$229,660,567	\$149,898,479
34754	Commerce Ins Co	\$1,220,176,434	\$1,231,386,296	\$2,645,581,661	\$1,570,886,363	\$1,074,695,298
36226	United Cas & Surety Ins Co	\$2,590,454	\$2,877,805	\$10,239,899	\$6,113,125	\$4,126,774
37346	Danbury Ins Co	\$593,475	\$6,653,155	\$15,920,097	\$8,540,465	\$7,379,632
38369	Northern Assur Co Of Amer	\$9,698,860	\$121,286,066	\$155,236,163	\$97,674,144	\$57,562,019
39454	Safety Ins Co	\$502,068,383	\$504,166,966	\$1,230,697,787	\$648,266,260	\$582,431,527
40274	Citation Ins Co	\$140,945,938	\$140,945,938	\$322,989,983	\$210,724,727	\$112,265,256
40320	Massachusetts Homeland Ins Co	\$86,017,865	\$158,844,545	\$12,868,902	\$7,979,270	\$4,889,632
41360	Arbella Protection Ins Co	\$112,493,285	\$124,196,691	\$254,029,398	\$158,127,435	\$95,901,963
41955	Barnstable Cnty Ins Co	\$2,891,506	\$2,891,506	\$19,343,454	\$2,861,630	\$16,481,824
43702	Tower Natl Ins Co	\$6,733,481	\$147,995,405	\$66,352,042	\$54,497,509	\$11,854,533
44326	Atlantic Charter Ins Co	\$25,348,645	\$27,761,598	\$157,685,588	\$99,915,907	\$57,769,681
TOTAL		\$4,575,746,933	\$10,238,557,232	\$53,204,357,600	\$32,062,738,664	\$21,141,618,941

Life Insurance Companies

NAIC#	Company Name	Total Premium Written in MA as of 12/31/2010	Total Premium Written as of 12/31/2010	Total Net Assets as of 12/31/2010	Total Liabilities as of 12/31/2010	Total Surplus as of 12/31/2010
61476	Boston Mut Life Ins Co	\$45,101,759	\$215,856,564	\$1,048,910,375	\$930,127,030	\$118,783,345
65919	Primerica Life Ins Co	\$37,739,033	\$1,778,176,568	\$1,777,592,447	\$1,147,750,163	\$629,842,285
65935	Massachusetts Mut Life Ins Co	\$738,609,857	\$11,698,392,929	\$87,974,787,735	\$77,635,068,642	\$10,352,400,467
66265	Monarch Life Ins Co	\$979,728	\$26,580,650	\$594,857,575	\$593,073,156	\$1,784,418
67598	Paul Revere Life Ins Co	\$11,867,554	\$370,721,706	\$4,678,402,839	\$4,258,900,381	\$419,502,458
67601	Paul Revere Variable Ann Ins Co	\$230,192	\$4,704,715	\$49,506,806	\$14,426,818	\$35,079,989
69140	First Allmerica Fin Life Ins Co	\$1,074,291	\$28,513,485	\$1,215,321,199	\$1,026,320,440	\$189,000,760
70435	The Savings Bank Life Ins Co Of MA	\$203,079,669	\$318,774,846	\$2,562,923,342	\$2,403,679,418	\$159,243,924
71714	Berkshire Life Ins Co of Amer	\$16,135,878	\$352,015,025	\$2,814,669,327	\$2,320,894,330	\$493,774,997
74920	Regal Reins Co	\$0	\$0	\$4,246,318	\$405,460	\$3,840,858
80896	Centre Life Ins Co	\$1,297,006	\$32,028,864	\$1,841,168,658	\$1,752,017,467	\$89,151,198
84824	Commonwealth Ann & Life Ins Co	\$6,200,500	\$168,732,612	\$2,961,653,330	\$2,550,040,358	\$411,612,972
91626	New England Life Ins Co	\$51,051,071	\$572,227,518	\$1,980,910,858	\$1,388,914,179	\$591,996,679
93610	John Hancock Life & Hlth Ins Co	\$17,009,294	\$535,513,553	\$3,173,189,805	\$2,711,344,036	\$461,845,769
TOTAL		\$1,130,375,832	\$16,102,239,035	\$112,678,140,614	\$98,732,961,878	\$13,957,860,119

Health Insurance Companies

NAIC#	Company Name	Total Premium Written in MA as of 12/31/2010	Total Premium Written as of 12/31/2010	Total Net Assets as of 12/31/2010	Total Liabilities as of 12/31/2010	Total Surplus as of 12/31/2010
11109	Neighborhood Hlth Plan Inc	\$1,048,988,042	\$1,048,988,042	\$296,470,464	\$160,352,133	\$136,118,331
12210	Dentegra Ins Co of New England	\$1,685,892	\$2,600,754	\$6,167,504	\$366,428	\$5,801,076
12219	BCBS of MA HMO Blue Inc	\$3,997,305,874	\$4,018,072,860	\$1,363,200,507	\$604,582,707	\$758,617,800
13203	Boston Medical Center Hlth Plan Inc	\$1,226,942,465	\$1,226,942,465	\$348,085,082	\$117,862,527	\$230,222,555
13632	Celticare Hlth Plan of MA Inc	\$78,115,939	\$78,115,939	\$29,798,564	\$21,672,371	\$8,126,192
18975	HPHC Ins Co Inc	\$162,045,917	\$361,963,094	\$113,378,096	\$76,655,434	\$36,722,662
47093	Massachusetts Vision Serv Plan	\$20,390,585	\$20,390,585	\$20,802,649	\$2,476,586	\$18,326,063
52060	Dental Serv of MA Inc	\$276,816,671	\$276,816,671	\$181,056,338	\$84,443,021	\$96,613,317
53228	BCBS of MA	\$2,426,709,167	\$2,432,363,828	\$1,672,806,423	\$940,102,556	\$732,703,867
60117	Tufts Ins Co Inc	\$121,714,797	\$139,210,024	\$64,390,342	\$31,336,261	\$33,054,081
66828	Fallon Hlth & Life Assur Co	\$25,247,964	\$25,247,964	\$16,342,483	\$11,981,982	\$4,360,501
95299	Connecticare Of MA Inc	\$17,595,097	\$17,595,097	\$12,742,684	\$1,663,759	\$11,078,924
95520	CIGNA Hlthcare of MA Inc	\$2,059,266	\$2,059,266	\$4,369,105	\$496,821	\$3,872,284
95541	Fallon Comm Hlth Plan Inc	\$1,094,790,297	\$1,094,790,297	\$296,395,049	\$202,819,069	\$93,575,980
95673	Health New England Inc	\$391,068,348	\$393,947,287	\$102,246,992	\$55,464,655	\$46,782,337
95688	Tufts Associated Hlth Maintenance Or	\$2,332,073,953	\$2,338,640,951	\$869,343,232	\$317,638,988	\$551,704,242
96717	Harvard Pilgrim Health Care New Eng	\$0	\$301,387,110	\$64,744,778	\$33,066,325	\$31,678,453
96911	Harvard Pilgrim Hlth Care Inc	\$2,189,219,633	\$2,302,951,875	\$793,887,838	\$381,163,507	\$412,724,331
TOTAL		\$15,412,769,907	\$16,082,084,109	\$6,256,228,130	\$3,044,145,130	\$3,212,082,996

Fraternal Organizations

NAIC#	Company Name	Total Premium Written in MA as of 12/31/2010	Total Premium Written as of 12/31/2010	Total Net Assets as of 12/31/2010	Total Liabilities as of 12/31/2010	Total Surplus as of 12/31/2010
58130	Catholic Assn Of Foresters	\$189,360	\$227,635	\$13,168,125	\$6,789,226	\$6,378,899
58181	Supreme Council The Royal Arcanum	\$1,992,696	\$6,495,958	\$86,251,186	\$72,224,915	\$14,026,271
TOTAL		\$2,182,056	\$6,723,593	\$99,419,311	\$79,014,141	\$20,405,170

Workers' Compensation Self-Insured Groups

Self-Insurance Group Name	Gross Premium Written as of 12/31/10	Net Premium Written as of 12/31/10	Total Assets as of 12/31/10	Total Liabilities as of 12/31/10	Total Surplus as of 12/31/10
ABC Massachusetts Workers Comp. Self-Insurance Group	\$1,109,661	\$853,957	\$4,046,681	\$4,046,681	\$0
Automotive Industries Compensation Corp.	\$4,190,401	\$3,863,511	\$7,789,394	\$7,789,394	\$0
Commonwealth Transportation Compensation Corporation	\$2,449,025	\$2,130,403	\$5,290,747	\$5,303,965	-\$13,218
Diocesan Facilities Self-Insurance Group	\$990,047	\$827,629	\$3,884,694	\$1,420,523	\$2,464,171
HVAC Compensation Corp.	\$1,071,174	\$961,732	\$3,768,458	\$3,768,458	\$0
Independent Schools Compensation Corporation	\$6,520,744	\$6,070,615	\$16,160,511	\$16,172,954	-\$12,443
Manufacturers of Massachusetts Compensation Group	\$4,709,015	\$4,067,131	\$2,839,956	\$2,849,071	-\$9,115
Massachusetts Bay Self-Insurance Group	\$3,223,217	\$2,821,218	\$3,742,367	\$3,348,543	\$393,824
Massachusetts Catholic Self-Insurance Group	\$5,801,516	\$5,371,739	\$16,316,466	\$10,302,783	\$6,013,683
Massachusetts Care Self-Insurance Group	\$3,884,270	\$3,884,270	\$10,102,690	\$10,102,690	\$0
Massachusetts Education and Government Assn. P&C Group	\$15,414,572	\$11,061,735	\$20,870,167	\$16,382,200	\$4,487,967
Massachusetts Healthcare Self-Insurance Group	\$2,295,294	\$2,079,678	\$4,236,877	\$4,236,877	\$0
Massachusetts High Technology Self-Insurance Group	\$550,191	\$486,365	\$2,107,641	\$2,107,641	\$0
Massachusetts Manufacturing Self-Insurance Group	\$2,067,644	\$1,822,971	\$7,074,730	\$6,974,730	\$100,000
Massachusetts McDonald's Operators Workers' Comp. Grp.	\$1,304,106	\$1,211,010	\$3,034,550	\$3,034,550	\$0
Massachusetts NAHRO Insurance Group	\$4,697,323	\$3,986,247	\$9,631,328	\$7,153,401	\$2,477,927
Massachusetts Retail Merchants Work. Comp. Self-Ins.Group	\$15,263,955	\$14,031,206	\$30,393,692	\$30,393,692	\$0
Massachusetts Trade Self-Insurance Group	\$2,401,743	\$2,175,167	\$5,043,449	\$5,043,449	\$0
MIIA Property-Casualty Group	\$50,274,301	\$40,256,188	\$174,382,820	\$87,069,693	\$87,313,127
NEEIA Compensation	\$5,568,192	\$5,308,641	\$17,661,637	\$17,661,637	\$0
Self Insured Lumber Businesses Assn	\$3,193,957	\$2,883,607	\$10,125,178	\$10,100,637	\$24,541
School Transportation Assn. of MA Self-Insurance Group	\$2,261,042	\$2,005,002	\$4,972,492	\$4,972,492	\$0
TOTAL	\$139,241,390	\$118,160,022	\$363,476,525	\$260,236,061	\$103,240,464

Appendix C – 2010 Direct Written Premium by Line of Insurance

2010 Premium and Market Share - ACCIDENT & HEALTH INSURANCE

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
79413	UnitedHealthcare Ins Co	CT	\$606,488,192	23.03%	
60054	Aetna Life Ins Co	CT	\$179,676,472	6.82%	
65978	Metropolitan Life Ins Co	NY	\$176,324,930	6.70%	
62308	Connecticut Gen Life Ins Co	CT	\$157,203,504	5.97%	
62235	Unum Life Ins Co Of Amer	ME	\$143,353,316	5.44%	
64246	Guardian Life Ins Co Of Amer	NY	\$94,652,448	3.59%	
70815	Hartford Life & Accident Ins Co	CT	\$64,137,746	2.44%	
70025	Genworth Life Ins Co	DE	\$61,614,720	2.34%	
80314	Unicare Life & Hlth Ins Co	IN	\$60,750,966	2.31%	
65838	John Hancock Life Ins Co (USA)	MI	\$60,363,037	2.29%	
60380	American Family Life Assur Co of Col	NE	\$39,268,937	1.49%	
65498	Life Ins Co Of N Amer	PA	\$39,169,002	1.49%	
66141	Health Net Life Ins Co	CA	\$38,841,705	1.47%	
73288	Humana Ins Co	WI	\$36,852,519	1.40%	
80802	US Br SunLife Assur Co Of Canada	MI	\$36,389,922	1.38%	
68241	Prudential Ins Co Of Amer	NJ	\$35,251,877	1.34%	
90328	First Hlth Life & Hlth Ins Co	TX	\$33,419,787	1.27%	
65676	Lincoln Natl Life Ins Co	IN	\$33,339,243	1.27%	
86231	Transamerica Life Ins Co	IA	\$32,588,047	1.24%	
62049	Colonial Life & Accident Ins Co	SC	\$31,973,349	1.21%	
Total Companies Writing in Massachusetts					232
Top 20 Companies Direct Written Premium					\$1,961,659,719 74.5%
Remaining Companies Direct Written Premium					\$671,749,048 25.5%
Total Direct Written Premium					\$2,633,408,767

2010 Premium and Market Share - AIRCRAFT (ALL PERILS)

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
23817	Illinois Natl Ins Co	IL	\$5,303,231	31.37%	
20281	Federal Ins Co	IN	\$1,501,754	8.88%	
24147	Old Republic Ins Co	PA	\$1,409,225	8.33%	
35300	Allianz Global Risks US Ins Co	CA	\$1,241,027	7.34%	
22667	Ace Amer Ins Co	PA	\$1,148,952	6.80%	
23043	Liberty Mut Ins Co	MA	\$1,068,148	6.32%	
20052	National Liab & Fire Ins Co	CT	\$974,231	5.76%	
10367	Avemco Ins Co	MD	\$557,630	3.30%	
29599	US Specialty Ins Co	TX	\$552,643	3.27%	
37885	XL Specialty Ins Co	DE	\$531,379	3.14%	
19518	Catlin Ins Co	TX	\$516,404	3.05%	
34274	Central States Ind Co Of Omaha	NE	\$411,479	2.43%	
12904	Tokio Marine & Nichido Fire Ins Co	NY	\$263,551	1.56%	
11150	Arch Ins Co	MO	\$247,415	1.46%	
19720	American Alt Ins Corp	DE	\$215,582	1.28%	
19941	American Commerce Ins Co	OH	\$204,122	1.21%	
40045	Starnet Ins Co	DE	\$170,976	1.01%	
20699	Ace Prop & Cas Ins Co	PA	\$149,324	0.88%	
22039	General Reins Corp	DE	\$146,364	0.87%	
34037	Hallmark Ins Co	AZ	\$137,928	0.82%	
Total Companies Writing in Massachusetts					24
Top 20 Companies Direct Written Premium					\$16,751,365 99.1%
Remaining Companies Direct Written Premium					\$155,994 0.9%
Total Direct Written Premium					\$16,907,359

2010 Premium and Market Share – ANNUITIES

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
69345	Teachers Ins & Ann Assoc Of Amer	NY	\$656,888,520	10.51%	
65056	Jackson Natl Life Ins Co	MI	\$520,571,746	8.33%	
91596	New York Life Ins & Ann Corp	DE	\$424,678,631	6.80%	
79227	Pruco Life Ins Co	AZ	\$412,699,406	6.60%	
61050	MetLife Investors USA Ins Co	DE	\$404,941,631	6.48%	
65676	Lincoln Natl Life Ins Co	IN	\$321,284,367	5.14%	
65978	Metropolitan Life Ins Co	NY	\$273,733,656	4.38%	
86509	Ing Life Ins & Ann Co	CT	\$271,431,100	4.34%	
65005	RiverSource Life Ins Co	MN	\$265,099,265	4.24%	
90611	Allianz Life Ins Co Of N Amer	MN	\$213,840,648	3.42%	
65935	Massachusetts Mut Life Ins Co	MA	\$182,562,749	2.92%	
62944	AXA Equitable Life Ins Co	NY	\$154,413,618	2.47%	
61689	Aviva Life & Ann Co	IA	\$123,701,414	1.98%	
93696	Fidelity Investments Life Ins Co	UT	\$116,923,437	1.87%	
79065	Sun Life Assur Co Of Canada US	DE	\$115,790,360	1.85%	
86630	Prudential Ann Life Assur Corp	CT	\$112,545,285	1.80%	
65838	John Hancock Life Ins Co (USA)	MI	\$111,357,755	1.78%	
68322	Great W Life & Ann Ins Co	CO	\$104,249,481	1.67%	
86231	Transamerica Life Ins Co	IA	\$94,467,597	1.51%	
67466	Pacific Life Ins Co	NE	\$80,431,543	1.29%	
Total Companies Writing in Massachusetts					174
Top 20 Companies Direct Written Premium					\$4,961,612,209 79.4%
Remaining Companies Direct Written Premium					\$1,288,061,814 20.6%
Total Direct Written Premium					\$6,249,674,023

2010 Premium and Market Share - BOILER & MACHINERY

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
21482	Factory Mut Ins Co	RI	5,904,366	25.42%	
20281	Federal Ins Co	IN	2,392,770	10.30%	
10014	Affiliated Fm Ins Co	RI	1,386,142	5.97%	
25674	Travelers Prop Cas Co Of Amer	CT	1,378,808	5.94%	
20443	Continental Cas Co	IL	1,186,033	5.11%	
11452	Hartford Steam Boil Inspec & Ins Co	CT	1,147,472	4.94%	
37273	Axis Ins Co	IL	1,072,500	4.62%	
16535	Zurich Amer Ins Co	NY	699,440	3.01%	
25623	Phoenix Ins Co	CT	612,053	2.64%	
23035	Liberty Mut Fire Ins Co	WI	584,729	2.52%	
19445	National Union Fire Ins Co Of Pitts	PA	471,447	2.03%	
39845	Westport Ins Corp	MO	435,562	1.88%	
41181	Universal Underwriters Ins Co	KS	432,628	1.86%	
26247	American Guar & Liab Ins	NY	410,343	1.77%	
25658	Travelers Ind Co	CT	398,314	1.72%	
20303	Great Northern Ins Co	IN	379,176	1.63%	
20397	Vigilant Ins Co	NY	377,259	1.62%	
19259	Selective Ins Co Of SC	IN	332,473	1.43%	
24554	XL Ins Amer Inc	DE	324,258	1.40%	
35300	Allianz Global Risks US Ins Co	CA	260,204	1.12%	
Total Companies Writing in Massachusetts					101
Top 20 Companies Direct Written Premium					\$20,185,977 86.9%
Remaining Companies Direct Written Premium					\$3,039,290 13.1%
Total Direct Written Premium					\$23,225,267

2010 Premium and Market Share - BURGLARY & THEFT

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
31194	Travelers Cas & Surety Co Of Amer	CT	\$935,277	19.02%	Total Companies Writing in Massachusetts 84 Top 20 Companies \$4,656,829 Direct Written Premium 94.7% Remaining Companies \$260,453 Direct Written Premium 5.3% Total Direct Written Premium \$4,917,282
16535	Zurich Amer Ins Co	NY	\$806,088	16.39%	
20281	Federal Ins Co	IN	\$744,967	15.15%	
22292	Hanover Ins Co	NH	\$568,536	11.56%	
19445	National Union Fire Ins Co Of Pitts	PA	\$226,609	4.61%	
29424	Hartford Cas Ins Co	IN	\$186,835	3.80%	
29459	Twin City Fire Ins Co Co	IN	\$150,809	3.07%	
24767	St Paul Fire & Marine Ins Co	CT	\$140,762	2.86%	
22306	Massachusetts Bay Ins Co	NH	\$111,250	2.26%	
26182	Harleysville Worcester Ins Co	PA	\$110,277	2.24%	
10200	Hiscox Ins Co Inc	IL	\$106,557	2.17%	
21121	Westchester Fire Ins Co	NY	\$105,185	2.14%	
20346	Pacific Ind Co	WI	\$104,182	2.12%	
41181	Universal Underwriters Ins Co	KS	\$86,367	1.76%	
37273	Axis Ins Co	IL	\$73,753	1.50%	
35181	Executive Risk Ind Inc	DE	\$47,404	0.96%	
20443	Continental Cas Co	IL	\$43,041	0.88%	
20303	Great Northern Ins Co	IN	\$41,593	0.85%	
25976	Utica Mut Ins Co	NY	\$39,591	0.81%	
18058	Philadelphia Ind Ins Co	PA	\$27,746	0.56%	

2010 Premium and Market Share: COMMERCIAL AUTO

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
34754	Commerce Ins Co	MA	\$61,375,981	9.80%	Total Companies Writing in Massachusetts 160 Top 20 Companies \$397,116,014 Direct Written Premium 63.4% Remaining Companies \$229,378,452 Direct Written Premium 36.6% Total Direct Written Premium \$626,494,466
41360	Arbella Protection Ins Co	MA	\$52,631,094	8.40%	
39454	Safety Ins Co	MA	\$34,080,875	5.44%	
25615	Charter Oak Fire Ins Co	CT	\$32,342,137	5.16%	
33618	Safety Ind Ins Co	MA	\$28,576,883	4.56%	
21750	Pilgrim Ins Co	MA	\$24,443,682	3.90%	
22292	Hanover Ins Co	NH	\$21,268,844	3.39%	
18058	Philadelphia Ind Ins Co	PA	\$16,795,807	2.68%	
32620	National Interstate Ins Co	OH	\$14,063,723	2.24%	
40274	Citation Ins Co	MA	\$12,776,283	2.04%	
31325	Acadia Ins Co	NH	\$11,376,311	1.82%	
19445	National Union Fire Ins Co Of Pitts	PA	\$10,719,188	1.71%	
10243	National Continental Ins Co	NY	\$10,507,491	1.68%	
11045	Excelsior Ins Co	NH	\$10,397,709	1.66%	
16535	Zurich Amer Ins Co	NY	\$10,095,851	1.61%	
25674	Travelers Prop Cas Co Of Amer	CT	\$9,984,034	1.59%	
14788	NGM Ins Co	FL	\$9,464,514	1.51%	
19801	Argonaut Ins Co	IL	\$9,157,162	1.46%	
25658	Travelers Ind Co	CT	\$8,868,642	1.42%	
20648	Employers Fire Ins Co	MA	\$8,189,803	1.31%	

2010 Premium and Market Share - COMMERCIAL MULTI-PERIL

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
18058	Philadelphia Ind Ins Co	PA	\$48,125,193	5.52%	
20281	Federal Ins Co	IN	\$32,940,939	3.78%	
25674	Travelers Prop Cas Co Of Amer	CT	\$27,860,944	3.20%	
23965	Norfolk & Dedham Mut Fire Ins Co	MA	\$24,853,083	2.85%	
25615	Charter Oak Fire Ins Co	CT	\$24,552,247	2.82%	
29939	Main St Amer Assur Co	FL	\$23,507,717	2.70%	
25682	Travelers Ind Co Of CT	CT	\$19,811,515	2.27%	
31534	Citizens Ins Co Of Amer	MI	\$19,214,716	2.21%	
19682	Hartford Fire In Co	CT	\$19,184,677	2.20%	
26018	Vermont Mut Ins Co	VT	\$18,812,297	2.16%	
34754	Commerce Ins Co	MA	\$18,558,731	2.13%	
25992	Northern Security Ins Co Inc	VT	\$18,446,109	2.12%	
19046	Travelers Cas Ins Co Of Amer	CT	\$17,347,488	1.99%	
25666	Travelers Ind Co Of Amer	CT	\$17,003,913	1.95%	
18333	Peerless Ind Ins Co	IL	\$16,904,785	1.94%	
19798	Merrimack Mut Fire Ins Co	MA	\$16,773,123	1.92%	
25658	Travelers Ind Co	CT	\$16,672,280	1.91%	
39217	QBE Ins Corp	PA	\$16,232,951	1.86%	
20648	Employers Fire Ins Co	MA	\$15,844,607	1.82%	
14532	Middlesex Mut Assur Co	CT	\$15,258,268	1.75%	
Total Companies Writing in Massachusetts					190
Top 20 Companies Direct Written Premium					\$427,905,583 49.1%
Remaining Companies Direct Written Premium					\$443,426,379 50.9%
Total Direct Written Premium					\$871,331,962

2010 Premium and Market Share – CREDIT

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
20648	Employers Fire Ins Co	MA	\$7,254,436	28.13%	
20516	Euler Hermes Amer Credit Ind Co	MD	\$4,593,997	17.81%	
12831	State Natl Ins Co Inc	TX	\$2,663,560	10.33%	
31887	Coface N Amer Ins Co	MA	\$2,627,194	10.19%	
16691	Great Amer Ins Co	OH	\$1,752,723	6.80%	
29980	First Colonial Ins Co	FL	\$1,662,987	6.45%	
25422	Atradius Trade Credit Ins Co	MD	\$1,623,405	6.29%	
10111	American Bankers Ins Co Of FL	FL	\$933,668	3.62%	
39217	QBE Ins Corp	PA	\$559,371	2.17%	
18538	Bancinsure Inc	OK	\$387,925	1.50%	
11150	Arch Ins Co	MO	\$346,790	1.34%	
24813	Balboa Ins Co	CA	\$320,434	1.24%	
22667	Ace Amer Ins Co	PA	\$260,108	1.01%	
24147	Old Republic Ins Co	PA	\$247,758	0.96%	
10952	Stonebridge Cas Ins Co	OH	\$217,581	0.84%	
16667	United Guar Residential Ins Co of NC	NC	\$122,629	0.48%	
29599	US Specialty Ins Co	TX	\$90,738	0.35%	
13722	Knightbrook Ins Co	DE	\$49,419	0.19%	
25011	Wesco Ins Co	DE	\$38,815	0.15%	
30325	Zale Ind Co	TX	\$32,269	0.13%	
Total Companies Writing in Massachusetts					25
Top 20 Companies Direct Written Premium					\$25,785,807 100.0%
Remaining Companies Direct Written Premium					\$5,678 0.0%
Total Direct Written Premium					\$25,791,485

2010 Premium and Market Share - DEPOSIT FUNDS

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
61271	Principal Life Ins Co	IA	\$130,778,584	27.41%	Total Companies Writing in Massachusetts 85 Top 20 Companies \$437,472,715 Direct Written Premium 91.7% Remaining Companies \$39,662,742 Direct Written Premium 8.3% Total Direct Written Premium \$477,135,457
88072	Hartford Life Ins Co	CT	\$74,501,392	15.61%	
93629	Prudential Retirement Ins & Ann Co	CT	\$51,502,146	10.79%	
63274	OM Fin Life Ins Co	MD	\$40,420,142	8.47%	
67814	Phoenix Life Ins Co	NY	\$17,342,057	3.63%	
91596	New York Life Ins & Ann Corp	DE	\$16,068,294	3.37%	
61689	Aviva Life & Ann Co	IA	\$15,762,991	3.30%	
69345	Teachers Ins & Ann Assoc Of Amer	NY	\$13,077,577	2.74%	
69868	United Of Omaha Life Ins Co	NE	\$12,149,020	2.55%	
86231	Transamerica Life Ins Co	IA	\$10,384,785	2.18%	
65536	Genworth Life & Ann Ins Co	VA	\$9,243,435	1.94%	
70025	Genworth Life Ins Co	DE	\$8,861,858	1.86%	
60488	American Gen Life Ins Co	TX	\$5,923,453	1.24%	
68241	Prudential Ins Co Of Amer	NJ	\$5,646,504	1.18%	
65005	RiverSource Life Ins Co	MN	\$5,319,267	1.11%	
86509	Ing Life Ins & Ann Co	CT	\$5,066,551	1.06%	
61050	MetLife Investors USA Ins Co	DE	\$4,539,031	0.95%	
67644	Penn Mut Life Ins Co	PA	\$4,394,424	0.92%	
65315	Liberty Life Assur Co Of Boston	NH	\$3,283,791	0.69%	
80802	US Br SunLife Assur Co Of Canada	MI	\$3,207,413	0.67%	

2010 Premium and Market Share - FIDELITY & SURETY

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
31194	Travelers Cas & Surety Co Of Amer	CT	\$22,451,486	15.46%	Total Companies Writing in Massachusetts 153 Top 20 Companies \$121,557,766 Direct Written Premium 83.7% Remaining Companies \$23,701,352 Direct Written Premium 16.3% Total Direct Written Premium \$145,259,118
13188	Western Surety Co	SD	\$14,911,067	10.27%	
24740	Safeco Ins Co Of Amer	WA	\$14,562,202	10.02%	
20281	Federal Ins Co	IN	\$14,196,416	9.77%	
39306	Fidelity & Deposit Co Of MD	MD	\$9,480,053	6.53%	
23043	Liberty Mut Ins Co	MA	\$6,287,102	4.33%	
22292	Hanover Ins Co	NH	\$5,926,508	4.08%	
29424	Hartford Cas Ins Co	IN	\$3,610,198	2.49%	
14788	NGM Ins Co	FL	\$3,523,695	2.43%	
21121	Westchester Fire Ins Co	NY	\$3,283,130	2.26%	
16691	Great Amer Ins Co	OH	\$3,187,221	2.19%	
19445	National Union Fire Ins Co Of Pitts	PA	\$2,887,798	1.99%	
36226	United Cas & Surety Ins Co	MA	\$2,590,454	1.78%	
29580	Berkley Regional Ins Co	DE	\$2,581,027	1.78%	
11150	Arch Ins Co	MO	\$2,390,343	1.65%	
11592	International Fidelity Ins Co	NJ	\$2,248,187	1.55%	
29874	North Amer Specialty Ins Co	NH	\$2,239,438	1.54%	
19682	Hartford Fire In Co	CT	\$1,818,004	1.25%	
10847	Cumis Ins Society Inc	IA	\$1,698,330	1.17%	
10656	United States Surety Co	MD	\$1,685,107	1.16%	

2010 Premium and Market Share – FIRE

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
41360	Arbella Protection Ins Co	MA	\$19,288,167	8.25%	Total Companies Writing in Massachusetts 196 Top 20 Companies \$169,672,608 Direct Written Premium 72.5% Remaining Companies \$64,256,508 Direct Written Premium 27.5% Total Direct Written Premium \$233,929,116
21482	Factory Mut Ins Co	RI	\$19,207,226	8.21%	
42978	American Security Ins Co	DE	\$18,033,783	7.71%	
34754	Commerce Ins Co	MA	\$11,909,806	5.09%	
19798	Merrimack Mut Fire Ins Co	MA	\$11,618,760	4.97%	
10014	Affiliated Fm Ins Co	RI	\$10,263,884	4.39%	
37273	Axis Ins Co	IL	\$10,054,045	4.30%	
23035	Liberty Mut Fire Ins Co	WI	\$8,876,293	3.79%	
26018	Vermont Mut Ins Co	VT	\$7,399,928	3.16%	
25658	Travelers Ind Co	CT	\$7,169,533	3.06%	
24813	Balboa Ins Co	CA	\$6,834,039	2.92%	
26298	Metropolitan Prop & Cas Ins Co	RI	\$5,553,512	2.37%	
17000	Arbella Mut Ins Co	MA	\$5,240,641	2.24%	
42552	Nova Cas Co	NY	\$5,181,794	2.22%	
23469	American Modern Home Ins Co	OH	\$4,666,628	1.99%	
15067	Quincy Mut Fire Ins Co	MA	\$4,329,578	1.85%	
13803	Farm Family Cas Ins Co	NY	\$3,865,332	1.65%	
25674	Travelers Prop Cas Co Of Amer	CT	\$3,775,402	1.61%	
16535	Zurich Amer Ins Co	NY	\$3,451,933	1.48%	
19771	Cambridge Mut Fire Ins Co	MA	\$2,952,324	1.26%	

2010 Premium and Market Share – FRATERNALS

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
58033	Knights Of Columbus	CT	\$27,676,977	49.48%	Total Companies Writing in Massachusetts 29 Top 20 Companies \$55,862,261 Direct Written Premium 99.9% Remaining Companies \$73,665 Direct Written Premium 0.1% Total Direct Written Premium \$55,935,926
56014	Thrivent Financial For Lutherans	WI	\$12,317,090	22.02%	
58068	Independent Order Of Foresters Us Br	NY	\$3,535,292	6.32%	
57541	Modern Woodmen Of Amer	IL	\$3,033,626	5.42%	
58181	Supreme Council The Royal Arcanum	MA	\$1,992,696	3.56%	
56030	Catholic Financial Life	WI	\$1,579,446	2.82%	
57770	Catholic Holy Family Society	IL	\$1,295,603	2.32%	
57487	Catholic Order Of Foresters	IL	\$897,873	1.61%	
57142	Sons Of Norway	MN	\$551,843	0.99%	
57010	William Penn Assn	PA	\$427,506	0.76%	
57622	Polish Natl Alliance Us Of Na	IL	\$374,806	0.67%	
57215	Ukrainian Natl Assn Inc	NJ	\$354,541	0.63%	
57967	Luso Amer Life Ins Society	CA	\$325,292	0.58%	
57649	Polish Womens Alliance Of Amer	IL	\$311,418	0.56%	
57630	Polish Roman Catholic Union Of Amer	IL	\$309,432	0.55%	
56332	First Cath Slovak Ladies Assn USA	OH	\$268,467	0.48%	
58130	Catholic Assn Of Foresters	MA	\$189,360	0.34%	
57320	Woodmen World Life Ins Soc	NE	\$179,225	0.32%	
56820	Polish Falcons Of Amer	PA	\$157,627	0.28%	
56383	Order of United Commerical Travelers	OH	\$84,141	0.15%	

2010 Premium and Market Share – HEALTH

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
12219	BCBS of MA HMO Blue Inc	MA	\$3,997,305,874	25.58%	Total Companies Writing in Massachusetts
53228	BCBS of MA	MA	\$2,426,709,167	15.53%	
95688	Tufts Associated Hlth Maintenance Or	MA	\$2,332,073,953	14.92%	
96911	Harvard Pilgrim Hlth Care Inc	MA	\$2,189,219,633	14.01%	
13203	Boston Medical Center Hlth Plan Inc	MA	\$1,226,942,465	7.85%	
95541	Fallon Comm Hlth Plan Inc	MA	\$1,094,790,297	7.01%	
11109	Neighborhood Hlth Plan Inc	MA	\$1,048,988,042	6.71%	
95673	Health New England Inc	MA	\$391,068,348	2.50%	
52060	Dental Serv of MA Inc	MA	\$276,816,671	1.77%	
18975	HPHC Ins Co Inc	MA	\$162,045,917	1.04%	
60117	Tufts Ins Co Inc	MA	\$121,714,797	0.78%	Top 20 Companies Direct Written Premium
13632	Celticare Hlth Plan of MA Inc	MA	\$78,115,939	0.50%	
12575	SilverScript Ins Co	TN	\$74,203,746	0.47%	Remaining Companies Direct Written Premium
52632	Altus Dental Ins Co Inc	RI	\$32,159,321	0.21%	
66828	Fallon Hlth & Life Assur Co	MA	\$25,247,964	0.16%	Total Direct Written Premium
95109	Aetna Hlth Inc PA Corp	PA	\$21,558,657	0.14%	
47093	Massachusetts Vision Serv Plan	MA	\$20,390,585	0.13%	
63762	Medco Containment Life Ins Co	PA	\$20,165,282	0.13%	
10155	Wellcare Prescription Ins Inc	FL	\$18,510,229	0.12%	
95299	Connecticare Of MA Inc	MA	\$17,595,097	0.11%	
					32
				\$15,575,621,984	99.7%
				\$50,580,754	0.3%
				\$15,626,202,738	

2010 Premium and Market Share - HOMEOWNER'S MULTI-PERIL

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
40274	Citation Ins Co	MA	\$119,994,551	6.99%	Total Companies Writing in Massachusetts
17000	Arbella Mut Ins Co	MA	\$114,922,322	6.69%	
23035	Liberty Mut Fire Ins Co	WI	\$106,168,839	6.18%	
19798	Merrimack Mut Fire Ins Co	MA	\$87,252,469	5.08%	
34754	Commerce Ins Co	MA	\$79,058,802	4.61%	
15067	Quincy Mut Fire Ins Co	MA	\$76,658,478	4.47%	
33618	Safety Ind Ins Co	MA	\$59,608,529	3.47%	
26018	Vermont Mut Ins Co	VT	\$59,571,619	3.47%	
19976	Amica Mut Ins Co	RI	\$56,309,823	3.28%	
25623	Phoenix Ins Co	CT	\$54,249,799	3.16%	
26298	Metropolitan Prop & Cas Ins Co	RI	\$51,069,984	2.98%	Top 20 Companies Direct Written Premium
20346	Pacific Ind Co	WI	\$43,414,025	2.53%	
20281	Federal Ins Co	IN	\$36,058,334	2.10%	Remaining Companies Direct Written Premium
10394	Bunker Hill Ins Co	MA	\$34,301,887	2.00%	
19070	Standard Fire Ins Co	CT	\$34,280,035	2.00%	Total Direct Written Premium
15024	Preferred Mut Ins Co	NY	\$31,505,948	1.84%	
39454	Safety Ins Co	MA	\$30,488,269	1.78%	
25941	United Serv Automobile Assn	TX	\$29,642,883	1.73%	
40320	Massachusetts Homeland Ins Co	MA	\$28,760,744	1.68%	
31534	Citizens Ins Co Of Amer	MI	\$27,691,726	1.61%	
					140
				\$1,161,009,066	67.6%
				\$555,596,236	32.4%
				\$1,716,605,302	

2010 Premium and Market Share - LIABILITY OTHER THAN AUTO

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
19445	National Union Fire Ins Co Of Pitts	PA	\$76,868,671	13.62%	Total Companies Writing in Massachusetts 203 Top 20 Companies \$437,084,754 Direct Written Premium 77.5% Remaining Companies \$127,180,032 Direct Written Premium 22.5% Total Direct Written Premium \$564,264,786
20281	Federal Ins Co	IN	\$66,200,060	11.73%	
20443	Continental Cas Co	IL	\$44,292,831	7.85%	
37885	XL Specialty Ins Co	DE	\$41,748,820	7.40%	
22667	Ace Amer Ins Co	PA	\$33,213,704	5.89%	
29459	Twin City Fire Ins Co Co	IN	\$18,921,516	3.35%	
24791	St Paul Mercury Ins Co	CT	\$18,001,551	3.19%	
37273	Axis Ins Co	IL	\$16,997,606	3.01%	
31194	Travelers Cas & Surety Co Of Amer	CT	\$16,680,545	2.96%	
16535	Zurich Amer Ins Co	NY	\$16,573,691	2.94%	
29599	US Specialty Ins Co	TX	\$16,080,531	2.85%	
20621	OneBeacon Amer Ins Co	MA	\$11,973,994	2.12%	
18058	Philadelphia Ind Ins Co	PA	\$10,078,242	1.79%	
35181	Executive Risk Ind Inc	DE	\$9,769,402	1.73%	
19917	Liberty Ins Underwriters Inc	IL	\$7,473,658	1.32%	
24147	Old Republic Ins Co	PA	\$6,990,752	1.24%	
11150	Arch Ins Co	MO	\$6,874,098	1.22%	
11991	National Cas Co	WI	\$6,398,122	1.13%	
25976	Utica Mut Ins Co	NY	\$6,317,545	1.12%	
21121	Westchester Fire Ins Co	NY	\$5,629,415	1.00%	

2010 Premium and Market Share – LIFE

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
65978	Metropolitan Life Ins Co	NY	\$276,047,138	8.57%	Total Companies Writing in Massachusetts 302 Top 20 Companies \$2,153,035,012 Direct Written Premium 66.8% Remaining Companies \$1,068,188,506 Direct Written Premium 33.2% Total Direct Written Premium \$3,221,223,518
67091	Northwestern Mut Life Ins Co	WI	\$244,728,620	7.60%	
65838	John Hancock Life Ins Co (USA)	MI	\$209,478,933	6.50%	
64246	Guardian Life Ins Co Of Amer	NY	\$157,458,721	4.89%	
70435	The Savings Bank Life Ins Co Of MA	MA	\$153,446,551	4.76%	
66915	New York Life Ins Co	NY	\$135,612,442	4.21%	
65676	Lincoln Natl Life Ins Co	IN	\$133,862,706	4.16%	
65935	Massachusetts Mut Life Ins Co	MA	\$117,483,625	3.65%	
91596	New York Life Ins & Ann Corp	DE	\$114,771,020	3.56%	
68241	Prudential Ins Co Of Amer	NJ	\$102,481,400	3.18%	
70815	Hartford Life & Accident Ins Co	CT	\$66,319,571	2.06%	
61050	MetLife Investors USA Ins Co	DE	\$64,278,471	2.00%	
86231	Transamerica Life Ins Co	IA	\$61,082,450	1.90%	
79227	Pruco Life Ins Co	AZ	\$53,924,967	1.67%	
65005	RiverSource Life Ins Co	MN	\$50,830,292	1.58%	
80802	US Br SunLife Assur Co Of Canada	MI	\$45,937,884	1.43%	
65536	Genworth Life & Ann Ins Co	VA	\$45,507,843	1.41%	
60488	American Gen Life Ins Co	TX	\$43,549,347	1.35%	
61476	Boston Mut Life Ins Co	MA	\$38,531,026	1.20%	
65919	Primerica Life Ins Co	MA	\$37,702,005	1.17%	

2010 Premium and Market Share - LIFE ALL LINES

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
65978	Metropolitan Life Ins Co	NY	\$1,216,188,838	8.45%	Total Companies Writing in Massachusetts 328 Top 20 Companies \$9,416,120,147 Direct Written Premium 65.4% Remaining Companies \$4,975,860,665 Direct Written Premium 34.6% Total Direct Written Premium \$14,391,980,812
65838	John Hancock Life Ins Co (USA)	MI	\$911,666,529	6.33%	
65935	Massachusetts Mut Life Ins Co	MA	\$738,609,857	5.13%	
69345	Teachers Ins & Ann Assoc Of Amer	NY	\$677,973,887	4.71%	
79413	UnitedHealthcare Ins Co	CT	\$607,081,209	4.22%	
91596	New York Life Ins & Ann Corp	DE	\$539,449,651	3.75%	
65056	Jackson Natl Life Ins Co	MI	\$524,109,112	3.64%	
65676	Lincoln Natl Life Ins Co	IN	\$488,486,316	3.39%	
61050	MetLife Investors USA Ins Co	DE	\$469,220,102	3.26%	
79227	Pruco Life Ins Co	AZ	\$466,624,373	3.24%	
66915	New York Life Ins Co	NY	\$417,230,354	2.90%	
65005	RiverSource Life Ins Co	MN	\$335,933,840	2.33%	
67091	Northwestern Mut Life Ins Co	WI	\$298,657,454	2.08%	
86509	Ing Life Ins & Ann Co	CT	\$294,777,948	2.05%	
66869	Nationwide Life Ins Co	OH	\$277,111,871	1.93%	
86231	Transamerica Life Ins Co	IA	\$273,634,828	1.90%	
64246	Guardian Life Ins Co Of Amer	NY	\$254,077,345	1.77%	
90611	Allianz Life Ins Co Of N Amer	MN	\$223,287,655	1.55%	
70435	The Savings Bank Life Ins Co Of MA	MA	\$203,079,669	1.41%	
60054	Aetna Life Ins Co	CT	\$198,919,309	1.38%	

2010 Premium and Market Share - LIFE \ OTHER FUNDS

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
65838	John Hancock Life Ins Co (USA)	MI	\$530,466,804	22.85%	Total Companies Writing in Massachusetts 28 Top 20 Companies \$2,320,757,319 Direct Written Premium 100.0% Remaining Companies \$477,539 Direct Written Premium 0.0% Total Direct Written Premium \$2,321,234,858
65978	Metropolitan Life Ins Co	NY	\$490,083,114	21.11%	
65935	Massachusetts Mut Life Ins Co	MA	\$414,452,096	17.85%	
66915	New York Life Ins Co	NY	\$272,297,565	11.73%	
66869	Nationwide Life Ins Co	OH	\$234,504,240	10.10%	
86231	Transamerica Life Ins Co	IA	\$85,496,734	3.68%	
70688	Transamerica Financial Life Ins Co	NY	\$76,463,405	3.29%	
88072	Hartford Life Ins Co	CT	\$53,673,575	2.31%	
67644	Penn Mut Life Ins Co	PA	\$36,804,463	1.59%	
88668	Mutual Of Amer Life Ins Co	NY	\$31,263,528	1.35%	
66281	Monumental Life Ins Co	IA	\$29,566,019	1.27%	
86509	Ing Life Ins & Ann Co	CT	\$19,718,227	0.85%	
66168	Minnesota Life Ins Co	MN	\$15,516,709	0.67%	
93610	John Hancock Life & Hlth Ins Co	MA	\$14,500,000	0.62%	
71153	Hartford Life & Ann Ins Co	CT	\$11,156,921	0.48%	
69019	Standard Ins Co	OR	\$1,958,545	0.08%	
62944	AXA Equitable Life Ins Co	NY	\$834,063	0.04%	
93629	Prudential Retirement Ins & Ann Co	CT	\$804,259	0.03%	
92657	Nationwide Life & Ann Ins Co	OH	\$716,383	0.03%	
65129	Kansas City Life Ins Co	MO	\$480,669	0.02%	

2010 Premium and Market Share - MEDICAL MALPRACTICE

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
10206	Medical Professional Mut Ins Co	MA	\$133,020,653	77.45%	Total Companies Writing in Massachusetts 29 Top 20 Companies Direct Written Premium \$171,654,166 99.9% Remaining Companies Direct Written Premium \$103,906 0.1% Total Direct Written Premium \$171,758,072
11843	Medical Protective Co	IN	\$14,217,839	8.28%	
15890	Connecticut Medical Ins Co	CT	\$7,478,020	4.35%	
20427	American Cas Co Of Reading PA	PA	\$6,488,040	3.78%	
14460	Podiatry Ins Co Of Amer	IL	\$2,252,985	1.31%	
10638	Proselect Ins Co	MA	\$1,618,873	0.94%	
22667	Ace Amer Ins Co	PA	\$1,541,783	0.90%	
15865	NCMIC Ins Co	IA	\$1,442,134	0.84%	
19445	National Union Fire Ins Co Of Pitts	PA	\$889,021	0.52%	
22810	Chicago Ins Co	IL	\$872,542	0.51%	
34495	Doctors Co An Interins Exch	CA	\$428,548	0.25%	
19917	Liberty Ins Underwriters Inc	IL	\$410,922	0.24%	
20443	Continental Cas Co	IL	\$230,746	0.13%	
10801	Fortress Ins Co	IL	\$209,333	0.12%	
16624	Darwin Natl Assur Co	DE	\$164,794	0.10%	
23809	Granite State Ins Co	PA	\$118,565	0.07%	
21970	OneBeacon Ins Co	PA	\$102,014	0.06%	
23647	Ironshore Ind Inc	MN	\$84,550	0.05%	
10222	PACO Assur Co Inc	IL	\$43,095	0.03%	
13714	Pharmacists Mut Ins Co	IA	\$39,709	0.02%	

2010 Premium and Market Share - MORTGAGE & FINANCIAL GUARANTY

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
29858	Mortgage Guar Ins Corp	WI	\$29,574,557	24.72%	Total Companies Writing in Massachusetts 24 Top 20 Companies Direct Written Premium \$119,610,983 100.0% Remaining Companies Direct Written Premium \$5,430 0.0% Total Direct Written Premium \$119,616,413
27251	PMI Mortgage Ins Co	AZ	\$19,393,405	16.21%	
38458	Genworth Mortgage Ins Corp	NC	\$15,787,597	13.20%	
15873	United Guar Residential Ins Co	NC	\$14,221,629	11.89%	
33790	Radian Guar Inc	PA	\$14,139,256	11.82%	
18708	Ambac Assur Corp	WI	\$11,314,200	9.46%	
28452	Republic Mortgage Ins Co	NC	\$7,520,124	6.29%	
40266	CMG Mortgage Ins Co	WI	\$3,397,442	2.84%	
18287	Assured Guar Municipal Corp	NY	\$1,182,151	0.99%	
24350	Triad Guar Ins Corp	IL	\$954,170	0.80%	
30180	Assured Guar Corp	MD	\$791,676	0.66%	
12041	MBIA Ins Corp	NY	\$379,972	0.32%	
20311	Syncora Guar Inc	NY	\$323,110	0.27%	
36250	Radian Asset Assur Inc	NY	\$267,400	0.22%	
29823	Genworth Residential Mortgage Ins Co	NC	\$261,715	0.22%	
26999	United Guar Mortgage Ind Co	NC	\$47,260	0.04%	
29114	CMG Mortgage Assur Co	WI	\$43,767	0.04%	
19038	Travelers Cas & Surety Co	CT	\$5,610	0.00%	
13634	Essent Guar Inc	PA	\$3,392	0.00%	
25658	Travelers Ind Co	CT	\$2,550	0.00%	

2010 Premium and Market Share - OCEAN & INLAND MARINE

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
23043	Liberty Mut Ins Co	MA	\$47,366,887	13.15%	Total Companies Writing in Massachusetts
20281	Federal Ins Co	IN	\$23,959,132	6.65%	
20443	Continental Cas Co	IL	\$21,652,198	6.01%	
10952	Stonebridge Cas Ins Co	OH	\$13,588,455	3.77%	
20346	Pacific Ind Co	WI	\$9,754,258	2.71%	
38369	Northern Assur Co Of Amer	MA	\$9,700,540	2.69%	
25674	Travelers Prop Cas Co Of Amer	CT	\$8,532,742	2.37%	
22292	Hanover Ins Co	NH	\$8,040,218	2.23%	
21482	Factory Mut Ins Co	RI	\$7,906,420	2.20%	
21113	United States Fire Ins Co	DE	\$7,663,473	2.13%	
38318	Starr Ind & Liab Co	TX	\$6,860,599	1.91%	Top 20 Companies Direct Written Premium
19445	National Union Fire Ins Co Of Pitts	PA	\$6,790,245	1.89%	
11630	Jefferson Ins Co	NY	\$6,611,651	1.84%	Remaining Companies Direct Written Premium
19070	Standard Fire Ins Co	CT	\$6,459,690	1.79%	
10014	Affiliated Fm Ins Co	RI	\$5,861,105	1.63%	Total Direct Written Premium
31325	Acadia Ins Co	NH	\$5,739,836	1.59%	
22136	Great Amer Ins Co of NY	NY	\$5,494,785	1.53%	
29874	North Amer Specialty Ins Co	NH	\$5,209,109	1.45%	
19682	Hartford Fire In Co	CT	\$5,053,946	1.40%	
22667	Ace Amer Ins Co	PA	\$4,948,324	1.37%	

2010 Premium and Market Share - PRIVATE PASSENGER AUTO

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
34754	Commerce Ins Co	MA	1,045,445,273	28.20%	Total Companies Writing in Massachusetts
39454	Safety Ins Co	MA	413,790,516	11.16%	
23043	Liberty Mut Ins Co	MA	381,890,771	10.30%	
17000	Arbella Mut Ins Co	MA	331,603,792	8.94%	
14737	Plymouth Rock Assur Corp	MA	205,142,799	5.53%	
12850	Premier Ins Co Of MA	MA	190,565,000	5.14%	
26298	Metropolitan Prop & Cas Ins Co	RI	190,547,922	5.14%	
19976	Amica Mut Ins Co	RI	128,673,029	3.47%	
31534	Citizens Ins Co Of Amer	MI	124,133,260	3.35%	
16322	Progressive Direct Ins Co	OH	124,119,777	3.35%	Top 20 Companies Direct Written Premium
15067	Quincy Mut Fire Ins Co	MA	66,913,536	1.80%	
22063	Government Employees Ins Co	MD	62,394,451	1.68%	Remaining Companies Direct Written Premium
40320	Massachusetts Homeland Ins Co	MA	53,216,205	1.44%	
14788	NGM Ins Co	FL	45,814,465	1.24%	Total Direct Written Premium
25968	USAA Cas Ins Co	TX	45,400,412	1.22%	
23965	Norfolk & Dedham Mut Fire Ins Co	MA	43,809,690	1.18%	
12154	Encompass Ins Co of MA	MA	38,594,045	1.04%	
25941	United Serv Automobile Assn	TX	35,742,409	0.96%	
26018	Vermont Mut Ins Co	VT	30,690,500	0.83%	
24198	Peerless Ins Co	NH	28,563,937	0.77%	

2010 Premium and Market Share - PROPERTY & CASUALTY TOTAL

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
34754	Commerce Ins Co	MA	\$1,220,176,434	11.87%	Total Companies Writing in Massachusetts 504 Top 20 Companies Direct Written Premium \$5,339,536,224 51.9% Remaining Companies Direct Written Premium \$4,941,726,208 48.1% Total Direct Written Premium \$10,281,262,432
39454	Safety Ins Co	MA	\$502,068,383	4.88%	
23043	Liberty Mut Ins Co	MA	\$495,325,617	4.82%	
17000	Arbella Mut Ins Co	MA	\$463,340,747	4.51%	
26298	Metropolitan Prop & Cas Ins Co	RI	\$253,760,839	2.47%	
20281	Federal Ins Co	IN	\$224,652,301	2.19%	
14737	Plymouth Rock Assur Corp	MA	\$206,198,343	2.01%	
19976	Amica Mut Ins Co	RI	\$194,677,114	1.89%	
12850	Premier Ins Co Of MA	MA	\$190,565,000	1.85%	
19445	National Union Fire Ins Co Of Pitts	PA	\$183,423,162	1.78%	
31534	Citizens Ins Co Of Amer	MI	\$180,974,664	1.76%	
23035	Liberty Mut Fire Ins Co	WI	\$173,565,866	1.69%	
15067	Quincy Mut Fire Ins Co	MA	\$170,189,992	1.66%	
40274	Citation Ins Co	MA	\$140,945,938	1.37%	
19798	Merrimack Mut Fire Ins Co	MA	\$136,186,973	1.32%	
10206	Medical Professional Mut Ins Co	MA	\$134,383,137	1.31%	
26018	Vermont Mut Ins Co	VT	\$127,796,984	1.24%	
16322	Progressive Direct Ins Co	OH	\$124,764,710	1.21%	
41360	Arbella Protection Ins Co	MA	\$112,493,285	1.09%	
25658	Travelers Ind Co	CT	\$104,046,735	1.01%	

2010 Premium and Market Share - SURPLUS LINES

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
19437	Lexington Ins Co	DE	\$126,229,702	24.87%	Total Companies Writing in Massachusetts 91 Top 20 Companies Direct Written Premium \$368,553,714 72.6% Remaining Companies Direct Written Premium \$138,989,395 27.4% Total Direct Written Premium \$507,543,109
26883	Chartis Specialty Ins Co	IL	\$26,216,566	5.17%	
31127	Columbia Cas Co	IL	\$23,949,251	4.72%	
26387	Steadfast Ins Co	DE	\$23,376,223	4.61%	
17370	Nautilus Ins Co	AZ	\$22,300,438	4.39%	
41297	Scottsdale Ins Co	OH	\$21,017,413	4.14%	
27960	Illinois Union Ins Co	IL	\$17,298,321	3.41%	
13196	Western World Ins Co	NH	\$12,131,075	2.39%	
25445	Ironshore Specialty Ins Co	AZ	\$11,148,615	2.20%	
33189	Alterra Excess & Surplus Ins Co	DE	\$9,532,884	1.88%	
33138	Landmark Amer Ins Co	OK	\$9,401,544	1.85%	
35378	Evanston Ins Co	IL	\$8,558,144	1.69%	
42374	Houston Cas Co	TX	\$8,391,092	1.65%	
39020	Essex Ins Co	DE	\$7,871,094	1.55%	
25895	United States Liab Ins Co	PA	\$7,404,970	1.46%	
36940	Indian Harbor Ins Co	ND	\$6,985,561	1.38%	
26620	Axis Surplus Ins Co	IL	\$6,903,917	1.36%	
38989	Chubb Custom Ins Co	DE	\$6,864,530	1.35%	
32859	Penn Amer Ins Co	PA	\$6,500,481	1.28%	
24856	Admiral Ins Co	DE	\$6,471,893	1.28%	

2010 Premium and Market Share - TITLE INSURANCE

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
50814	First Amer Title Ins Co	CA	\$75,794,342	33.23%	
50520	Old Republic Natl Title Ins Co	MN	\$29,955,387	13.13%	
50121	Stewart Title Guar Co	TX	\$29,340,954	12.86%	
50229	Chicago Title Ins Co	NE	\$27,675,733	12.13%	
51586	Fidelity Natl Title Ins Co	CA	\$24,071,641	10.55%	
50083	Commonwealth Land Title Ins Co	NE	\$20,628,696	9.04%	
51268	Connecticut Attorneys Title Ins Co	CT	\$13,975,128	6.13%	
51020	National Title Ins Of NY Inc	NY	\$2,770,059	1.21%	
50016	Title Resources Guar Co	TX	\$2,358,012	1.03%	
12234	Equity Natl Title Ins Co	MA	\$603,539	0.26%	
51152	WFG Natl Title Ins Co	SC	\$472,466	0.21%	
51632	EnTitle Ins Co	OH	\$244,862	0.11%	
50050	Westcor Land Title Ins Co	CA	\$201,779	0.09%	
Total Companies Writing in Massachusetts					14
Top 13 Companies Direct Written Premium					\$228,092,598 100.0%
Remaining Companies Direct Written Premium					\$0 0.0%
Total Direct Written Premium					\$228,092,598

2010 Premium and Market Share - WORKERS' COMPENSATION

NAIC#	Company Name	State	Premium Written in MA as of 12/31/2010	Market Share in MA as of 12/31/2010	
33758	Associated Industries Of MA Mut Ins	MA	\$49,060,319	5.88%	
23841	New Hampshire Ins Co	PA	\$41,261,042	4.94%	
19445	National Union Fire Ins Co Of Pitts	PA	\$35,855,421	4.29%	
29459	Twin City Fire Ins Co Co	IN	\$33,277,890	3.99%	
25658	Travelers Ind Co	CT	\$31,943,437	3.83%	
42404	Liberty Ins Corp	IL	\$27,569,623	3.30%	
44326	Atlantic Charter Ins Co	MA	\$25,348,645	3.04%	
23035	Liberty Mut Fire Ins Co	WI	\$24,073,905	2.88%	
19429	Insurance Co Of The State Of PA	PA	\$23,626,137	2.83%	
20699	Ace Prop & Cas Ins Co	PA	\$23,196,610	2.78%	
23043	Liberty Mut Ins Co	MA	\$21,497,636	2.57%	
23809	Granite State Ins Co	PA	\$18,418,152	2.21%	
12886	Massachusetts Employers Ins Co	MA	\$17,856,018	2.14%	
25674	Travelers Prop Cas Co Of Amer	CT	\$17,186,392	2.06%	
40142	American Zurich Ins Co	IL	\$15,621,203	1.87%	
11104	Associated Employers Ins Co	MA	\$13,709,992	1.64%	
16535	Zurich Amer Ins Co	NY	\$13,674,882	1.64%	
11984	Independence Cas Ins Co	MA	\$12,801,762	1.53%	
25666	Travelers Ind Co Of Amer	CT	\$12,163,055	1.46%	
23817	Illinois Natl Ins Co	IL	\$12,040,569	1.44%	
Total Companies Writing in Massachusetts					218
Top 20 Companies Direct Written Premium					\$470,182,690 56.3%
Remaining Companies Direct Written Premium					\$364,852,595 43.7%
Total Direct Written Premium					\$835,035,285