



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

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Filing Guidance Notice 2019 – C
Property and Casualty Insurance

TO: All Insurers submitting Form, Rate and Rule Filings for Property and Casualty Insurance in the Commonwealth of Massachusetts (“Filing Companies”)

FROM: Sheri Cullen, Director, Policy Form Review Unit

DATE: May 14, 2019

RE: Commercial Package Policies

The purpose of this notice is for the Division of Insurance (“Division”) to clarify to Filing Companies the procedure for submitting forms, rates, and rules associated with a Commercial Package Policy, whether used only a package basis or both a monoline and a package basis. This guidance does not apply to monoline or package products currently on file with the Division; rather, it is intended to establish a simplified procedure for new Commercial Package Policies submitted after the date of this notice.

Definition of Commercial Package Policy: The Division considers a Commercial Package Policy to be any policy insuring a business, professional or governmental entity for more than one source of liability or type of property loss constituted of two or more separate coverage forms with a form of common policy conditions. The policy must contain two or more coverage forms that are defined by different Sub-types of Insurance (“Sub-TOIs”) as defined in the NAIC Uniform Property & Casualty Product Coding Matrix (“Matrix”). Commercial automobile and worker’s compensation coverage parts cannot be included in a Commercial Package Policy.

The Division does **not** consider a Commercial Package Policy to be:

- a policy constituted entirely of coverage forms that are described by the same Matrix Sub-TOI;
- a so-called “modular policy” constituted of one coverage form described by a single Matrix Sub-TOI and endorsements that provide insurance described by different Matrix Sub-TOIs than the coverage form;
- two or more policies packaged together by a Filing Company for marketing and/or sales purposes, or by an interline billing plan.

Medical Malpractice Liability coverage forms included in a Commercial Package Policy are permitted provided they are incidental to the policy.

Filing Procedure: The coverage forms and the form of common policy conditions that constitute a Commercial Package Policy, as well as the Commercial Package Policy's attendant rate and rule manual pages, are to be submitted for review under Matrix Sub-TOI 5.0003, 5.1003 or 5.2003 Commercial Package, whichever of the three is applicable. Forms, rules and loss costs being adopted from or filed on behalf of Filing Companies by a rating organization which Filing Companies intend to use as part of a Commercial Package Policy require an additional filing under one of the previously mentioned Sub-TOI's containing the designation numbers of the applicable rating organization reference filings.

If a Filing Company knows prior to submission that any coverage form of the Commercial Package Policy may also be issued on a monoline basis – that is, as a stand-alone policy of insurance - the Division will accept one filing for both monoline and package issuance under the appropriate Sub-TOI of 5.003, 5.1003 or 5.2003, whichever is applicable for the package issuance, **provided** that such dual monoline and package usage is clearly stated within the Filing Description section of the General Information tab in SERFF. However, if a Filing Company wishes to utilize an already “placed on file” monoline policy as part of a Commercial Package Policy, the Division will accept a “me-too” filing as defined in Bulletin 2008-08 under the appropriate Sub-TOI of 5.003, 5.1003 or 5.2003 whichever is applicable. A common policy conditions form would be required to be submitted in such “me-too” filings, along with any necessary package modification factors.

The following are not acceptable Matrix Sub-TOIs for Commercial Package Policies:

- 5.0000, 5.1000 and 5.2000 CMP Sub-TOI Combinations;
- 5.0007, 5.1007 and 5.2007 Other CMP;
- 17.0000, 17.1000 and 17.2000 Other Liability Sub-TOI Combinations;
- 17.0022, 17.1022 and 17.2022 Other;
- 33.0002 Other Commercial Insurance.

Forms of endorsement, application, declarations, *etc.* designed to be used with the coverage forms and form of common policy conditions of a Commercial Package Policy are to be submitted for review under the same Matrix Sub-TOI as the Commercial Package Policy, in the same filing where possible. Such forms that are designed to be used also with any coverage form that has already been filed separately as a monoline policy are also to be submitted for review under the same Matrix Sub-TOI as the monoline policy, or under Matrix Sub-TOI 35.0002 Commercial Interline when applicable. (Please note that a form used exclusively with a Commercial Package Policy is not considered an “Interline Form” as defined by the Division in Filing Guidance Notice 2009-H or any succeeding instructions.)

All filings noted above are subject to the filing submission procedures and requirements of the Massachusetts General Instructions.

If you have any questions regarding this notice, please contact Sheri Cullen, Director of Policy Form Review, at 617-521-7359 or Sheri.Cullen@mass.gov.