



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

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BULLETIN 2010-01

TO: Insurance Companies and Insurance Company Groups that Issue Private Passenger Motor Vehicle Insurance Policies in Massachusetts

FROM: Joseph G. Murphy, Acting Commissioner of Insurance

DATE: January 5, 2010

RE: Rating of Motorcycle Policies

The Division of Insurance ("Division") has received complaints from consumers that certain insurance companies are not properly applying their rating rules to motorcycles upon renewal of the underlying policies or upon the settlement of claims. Specifically, insurers may be applying rating rules to motorcycles that are not consistent with the rules on file with the Division. This may result in unfair premiums or improper settlements of policyholder claims.

Insurers are reminded that Massachusetts law, M.G.L. c. 176D, prohibits unfair or deceptive acts or practices and that the improper application of rating rules may fall within such prohibitions. Insurers must rate motorcycle policies in strict accordance with their rating rules on file with the Division. Insurers are expected to determine whether their rating practices are consistent with their filed rules and either apply these rules correctly, or amend their filings accordingly.

The Division is initiating targeted market conduct examinations to investigate these issues further and will use its full array of enforcement tools if it determines that insurers are committing these practices.