

## **CHECKLIST FOR MOTOR VEHICLE INSURANCE INSTALLMENT PAYMENT PLANS**

Motor vehicle insurance premium installment plans including rates and charges require approval by the Commissioner (M.G.L. c. 175, §193B).

**This checklist is designed to set forth minimum filing guidelines that are identified in relevant statutes, regulations, and/or standards. It is not intended to be all-inclusive. There may be different or additional statutory or regulatory requirements that apply to your filing that are not specifically noted in this checklist. You are advised to independently verify if there are any other statutes, regulations, and/or other standards that may be applicable to your filing. Nothing contained herein shall limit or otherwise affect the Division of Insurance's ability to disapprove any filing that it determines is not in compliance with Massachusetts law, regulation and/or standards.**

Instructions: This checklist is to accompany all motor vehicle insurance installment payment plan filings. For each component of this checklist, the filer is to certify that the filing complies with the listed statutory provisions by initialing the space provided. If a listed provision does not apply to the filing, the filer shall write "N/A" in the space provided.

### **I. Plans and Related Fees or Charges**

\_\_\_\_\_ Please indicate whether the plan makes available any of the following payment options and which related fees or charges apply:

- \_\_\_\_\_ more than one installment payment option;
- \_\_\_\_\_ downpayment options; and
- \_\_\_\_\_ related fees or charges:
  - \_\_\_\_\_ fees for late payments;
  - \_\_\_\_\_ fees for payments being returned for nonsufficient funds;
  - \_\_\_\_\_ fees for paying by phone;
  - \_\_\_\_\_ fees for payment by electronic funds transfer; or
  - \_\_\_\_\_ other fees or charges.

All fee changes or other related changes require supporting documentation for the Division's actuary to review.

\_\_\_\_\_ For filings to change existing installment plans, the submission is to include a clean copy of the proposed installment plan and a marked-up copy of the company's current installment plan showing the proposed changes, including an explanation of any eligibility requirements for the available payment options.

### **II. Interest Charges ([Chapter 175: Section 193B½](#))**

\_\_\_\_\_ The interest charges on motor vehicle insurance premiums that are paid in installments, will be calculated only on the unpaid balance due as of the billing date.

### **III. Deposit Premiums**

\_\_\_\_\_ If plan requires a deposit premium prior to the issuance of a policy or execution of a bond, the plan does not require a deposit premium that exceeds 30% of the annual premium or the full short term premium for the insurance requested, whichever is less, unless the applicant has been in default in the payment of any premium for automobile insurance during the preceding 24 months.

[\(M.G.L. 175, § 113E\)](#)

### **IV. Credit Cardholder Discounts; Surcharges; Finance Charge ([Chapter 140D: Section 28A](#))**

\_\_\_\_\_ If the plan permits the policyholder to make payments via a credit card, the plan does not impose a surcharge on a cardholder who elects to use a credit card in lieu of payment by cash, check or similar means. (M.G.L. 140D, §28A)

\_\_\_\_\_ If the plan permits the policyholder to make payments via a credit card, the plan may offer the policyholder a discount for making a payment by cash, check or other means not involving the use of an open-end-credit plan or a credit card will not constitute a finance charge provided that all prospective policyholders are made aware of the discount's availability. If offered, please present information identifying how this will be disclosed clearly and conspicuously. (M.G.L. 140D, §28A)