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Anne M. Casillo , CPCU, ARP, CPIW  
Regional Director

August 17, 2015

Mr. Robert A. Whitney, Esquire  
Deputy Commissioner and General Counsel  
Massachusetts Division of Insurance

RE: Regulatory Review - comments  
211 CMR 79.00, Private Passenger Motor Vehicle Insurance Rates

Dear Mr. Whitney,

Thank you for the opportunity to provide comments with respect to the Massachusetts Division of Insurance (DOI) 2015 Regulatory Review.

Insurance Services Office, Inc. (ISO) is licensed in Massachusetts as a rating organization for property and casualty insurance, including personal automobile. As a rating organization, our company provides statistical, actuarial, policy form development and related products and services to property/casualty insurers, including advisory prospective loss costs, other prospective cost information, manual rules and policy forms. Our customers include insurers and reinsurers, as well as agents, brokers, self-insureds, risk managers, financial-services firms, regulators and various government agencies.

We would like to offer both general and specific comments regarding 211 CMR 79.00: PRIVATE PASSENGER MOTOR VEHICLE INSURANCE RATES.

It has been ISO's position, as expressed in correspondence and meetings with the DOI over the last several years, that ISO should be expressly authorized to file advisory prospective loss costs for private passenger auto. While currently 211 CMR 79.00 does not expressly prohibit the filing of loss costs, we believe it is clearly within the Commissioner's authority to revise 211 CMR 79.00 to expressly authorize the filing of advisory prospective loss costs for private passenger auto. Specially, pursuant to MASS. GEN. LAWS ANN. CH. 175E, § 10, the Commissioner has been granted authority by the legislature to "alter or amend, reasonable rules and regulations to facilitate the operation of [chapter 175E,] . . . , to govern the form and content of filings made pursuant to this chapter. . . ." Therefore, in order to specifically recognize the filing of private passenger auto loss costs, we recommend that 211 CMR 79.09(5) be amended to include, "(g) Prepare, distribute and file advisory prospective loss costs."

Another consideration would be to amend Massachusetts Division of Insurance Bulletin SRB-90-5, dated December 27, 1990, to delete the exception for private passenger automobile insurance in the first paragraph. The exception appears inconsistent with the general move to managed competition, and it appears unnecessary to treat personal auto insurance any different than the

filing process for advisory prospective loss costs that is in place for all other lines of business, including homeowners and general liability insurance.

The full ISO personal auto program, including our advisory prospective loss costs, is available for insurer use today in virtually all other states. Our program helps provide greater efficiency for both regulators and insurers, which can ultimately reduce consumers' costs. Our suggested change would expressly allow a process for submission of ISO advisory prospective loss costs. In turn, with review and acknowledgement by Division staff of one filing, multiple insurers could then file rates based on ISO advisory prospective loss costs. As always, insurers would be responsible for supporting their submissions, but we suggest efficiencies of regulatory review should be realized as re-review of the underlying loss costs could be avoided. We note that this is virtually the same process that Massachusetts already has in place for most all other lines of business.

Very truly yours,

A handwritten signature in cursive script that reads "Anne M. Casillo".

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