To: All Companies Writing Credit Life and Credit Accident and Health Insurance

From: Linda Ruthardt, Commissioner of Insurance

Re: Credit Insurance Sold by Motor Vehicle Dealers

Date: September 29, 1995

Pursuant to M.G.L. c. 175, s. 117c (F) (2), I am required to review the combined experience of all insurers for the motor vehicle dealers class of business, and compute the appropriate rates for credit life and credit accident and health insurance sold through automobile dealers, for policies issued or renewed, commencing on January 1, 1996 through December 31, 1998.

The statutory prima facie rates for 1996-1998 for the motor vehicle class of business are:

1. For credit life insurance, the nominal rates per one thousand dollars of insurance in force per month shall be forty nine cents for single life insurance, and one hundred and sixty percent of said single life insurance rate for joint life insurance, or seventy eight cents.

2. For credit accident and health insurance, single premium rates for each one hundred dollars of initial indebtedness shall be fifty nine cents per annum for each of the first four years of the term of coverage, forty two cents per annum for each of the next three years of the term of coverage and twenty one cents per annum for each year of coverage thereafter.

Any questions concerning this bulletin should be directed to Frederick Lonsdale at (617) 521-7344.