

2011 NAIC MARKET REGULATION HANDBOOKPROPERTY CASUALTY EXAMINATION STANDARDS AND MASSACHUSETTS AUTHORITIESCompany Operations / Management

Standard I-1: The regulated entity has an up to date, valid internal or external audit program.

Standard I-2: The regulated entity has appropriate controls, safeguards and procedures for protecting the integrity of computer information.

Standard I-3: The regulated entity has anti-fraud initiatives in place that are reasonably calculated to detect, prosecute and prevent fraudulent insurance acts.

18 U.S.C. §1033; Division Bulletins 1998-11 and 2001-14.

18 U.S.C. §1033: Prohibits individuals convicted of state or federal felonies involving dishonesty or breach of trust from being in business of insurance in licensed and non-licensed capacities without written consent of primary regulator.

Division Bulletins 1998-11 and 2001-14: Provides information regarding MA procedures for applying for written consent.

Standard I-4: The regulated entity has a valid disaster recovery plan.

Standard I-5: Contracts between the regulated entity and entities assuming a business function or acting on behalf of the regulated entity, such as, but not limited to, managing general agents (MGAs), general agents (GAs), third-party administrators (TPAs) and management agreements must comply with applicable licensing requirements, statutes, rules and regulations.

M.G.L. c. 175, § 177I (F) & (G).

M.G.L. c. 175, § 177I (F): Managing general agent contracts must include appropriate underwriting guidelines addressing issues including maximum annual premium volume, basis of rates charged, types of risks written and applicable exclusions.

M.G.L. c. 175, § 177I (G): Managing general agent contracts that permit MGAs to settle claims require them to send copies of claim files to insurers in instances including when there is a coverage dispute, a potential to exceed settlement authority or if the claim is open for more than 6 months.

Standard I-6: The regulated entity is adequately monitoring the activities of any entity that contractually assumes a business function or is acting on behalf of the regulated entity.

M.G.L. c. 175, § 177J (C): Requires insurers at least semi-annually to conduct an on-site review of the underwriting and claims processing operations of the managing general agents, and prepare a written report of its findings.

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Standard I-7: Records are adequate, accessible, consistent and orderly, and comply with state record retention requirements.

Standard I-8: The regulated entity is licensed for the lines of business that are being written.

M.G.L. c. 175, §§ 32 and 47.

M.G.L. c. 175, § 32: Company must have certificate of authorization from Commissioner to do business.

M.G.L. c. 175, § 47: Lines of business for which Company may be authorized.

Standard I-9: The regulated entity cooperates on a timely basis with examiners performing the examinations.

M.G.L. c. 175, § 4: Provides for Commissioner's authority to conduct examinations of insurers.

Standard I-10: The regulated entity has procedures for the collection, use and disclosure of information gathered in connection with insurance transactions so as to minimize any improper intrusion into the privacy of applicants and policyholders.

Gramm-Leach-Bliley Act §§ 502, 503, 504 and 505; 16 Code of Federal Regulations ("CFR") Part 313.

Gramm-Leach-Bliley Act / 16 CFR: Federal Privacy Act & related regulations.

Standard I-11: The regulated entity has developed and implemented written policies, standards and procedures for the management of insurance information.

Gramm-Leach-Bliley Act §§ 502, 503, 504 and 505; 16 CFR Part 313.

Gramm-Leach-Bliley Act / 16 CFR: Federal Privacy Act & related regulations.

Standard I-12: The regulated entity has policies and procedures to protect the privacy of nonpublic personal information relating to its customers, former customers and consumers that are not customers.

Gramm-Leach-Bliley Act, §§ 502, 503, 504 and 505; 16 CFR Part 313; 201 CMR 17.00; Division Bulletin 2010-02.

Gramm-Leach-Bliley Act / 16 CFR: Federal Privacy Act & related regulations.

201 CMR 17.00: Standards for the Protection of Personal Information.

Division Bulletin 2010-02: Directive implementing 201 CMR 17.00 for insurers.

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Standard I-13: The regulated entity provides privacy notices to its customers and, if applicable, to its consumers who are not customers, regarding treatment of nonpublic personal financial information.

Gramm-Leach-Bliley Act §§ 502, 503, 504 and 505; 16 CFR Part 313.

Gramm-Leach-Bliley Act / 16 CFR: Federal Privacy Act & related regulations.

Standard I-14: If the regulated entity discloses information subject to an opt-out right, the regulated entity has policies and procedures in place so that nonpublic personal financial information will not be disclosed when a consumer who is not a customer has opted out, and the regulated entity provides opt out notices to its customers and other affected consumers.

Gramm-Leach-Bliley Act §§ 502, 503, 504 and 505; 16 CFR Part 313.

Gramm-Leach-Bliley Act / 16 CFR: Federal Privacy Act & related regulations.

Standard I-15: The regulated entity's collection, use and disclosure of nonpublic personal financial information are in compliance with applicable statutes, rules and regulations.

Gramm-Leach-Bliley Act, §§ 502, 503, 504 and 505; 16 CFR Part 313.

Gramm-Leach-Bliley Act / 16 CFR: Federal Privacy Act & related regulations.

Standard I-16: In states promulgating the health information provisions of the NAIC model regulation, or providing equivalent protection through other substantially similar laws under the jurisdiction of the insurance department, the regulated entity has policies and procedures in place so that nonpublic personal health information will not be disclosed except as permitted by law, unless a customer, or a consumer who is not a customer, has authorized the disclosure.

Health Insurance Portability & Accountability Act of 1996 (HIPAA); Public Law 104-191; 45 CFR Parts 160 & 164.

Health Insurance Portability & Accountability Act of 1996 (HIPAA); Public Law 104-191; 45 CFR Parts 160 & 164: The Health Insurance Portability & Accountability Act of 1996 (HIPAA); Public Law 104-191 and 45 CFR Parts 160 & 164 set for proper procedures for inquiry, release, disclosure and maintenance of nonpublic personal health information.

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Standard I-17: Each licensee shall implement a comprehensive written information security program for the protection of nonpublic customer information.

Gramm-Leach-Bliley Act §§ 502, 503, 504 and 505; 16 CFR Part 313; 201 CMR 17.00; Division Bulletin 2010-02.

Gramm-Leach-Bliley Act / 16 CFR: Federal Privacy Act & related regulations.

201 CMR 17.00: Standards for the Protection of Personal Information.

Division Bulletin 2010-02: Directive implementing 201 CMR 17.00 for insurers.

Standard I-18: All data required to be reported to departments of insurance is complete and accurate.

Homeowners: M.G.L. c. 175, § 4B.

Personal Lines: M.G.L. c. 175, § 4.

M.G.L. c. 175, § 4B: The top 25 homeowners insurers in Massachusetts shall annually file premium and loss data by zip code with the Division, including the number of cancellations and non-renewals, and all sorted by voluntary and residual markets.

M.G.L. c. 175, § 4: Authority for required submission by personal lines insurers of the NAIC Market Conduct Annual Statement and related data.

Complaint Handling

Standard II-1: All complaints are recorded in the required format on the regulated entity's complaint register.

M.G.L. c. 176D, § 3(10): Failure to maintain complaint procedures and complete complaint records is an unfair & deceptive act.

Standard II-2: The regulated entity has adequate complaint handling procedures in place and communicates such procedures to policyholders.

M.G.L. c. 176D, § 3(10): Failure to maintain complaint procedures and complete complaint records is an unfair & deceptive act.

Standard II-3: The regulated entity takes adequate steps to finalize and dispose of the complaint in accordance with applicable statutes, rules and regulations, and contract language.

Standard II-4: The time frame within which the regulated entity responds to complaints is in accordance with applicable statutes, rules and regulations.

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Standard III-1: All advertising and sales materials are in compliance with applicable statutes, rules and regulations.

M.G.L. c. 176D, § 3; M.G.L. c. 175, §§ 18 and 181; Division Bulletins 2001-02 and 2009-14.

M.G.L. c. 176D, § 3: Defines unfair methods of competition, and unfair acts and practices in the business of insurance.

M.G.L. c. 175, § 18: Must conduct business in corporate name.

M.G.L. c. 175, § 181: Misrepresentation by insurer is illegal.

Division Bulletin 2001-02: Insurers with an Internet website must disclose on that website the company's name as it appears on their certificate of authority, and the address of their principal office.

Division Bulletin 2009-14: Guidelines for truth in advertising and marketing of private passenger motor vehicle policies.

Standard III-2: Regulated entity internal producer training materials are in compliance with applicable statutes, rules and regulations.

Standard III-3: Regulated entity communications to producers are in compliance with applicable statutes, rules and regulations.

Standard III-4: The regulated entity's mass marketing of property/casualty insurance is in compliance with applicable statutes, rules and regulations.

M.G.L. c. 175, § 193R and Division Bulletin 2011-09.

M.G.L. c. 175, § 193R: Group rating is allowed, but companies must offer no higher than the same rate in the individual market, and can't cancel anyone in group except for fraud or non-payment.

Division Bulletin 2011-09: Provides filing requirements and procedures for personal lines mass marketing plans.

2011 NAIC MARKET REGULATION HANDBOOKPROPERTY CASUALTY EXAMINATION STANDARDS AND MASSACHUSETTS AUTHORITIESProducer Licensing

Standard IV-1: Regulated entity records of licensed and appointed (if applicable) producers and in jurisdictions where applicable, licensed company or contracted independent adjusters agree with insurance department records.

18 U.S.C. § 1033; M.G.L. c. 175, §§ 162I and 162S; Division Bulletins 1998-11 and 2001-14.

M.G.L. c. 175, § 162I: Producers must be licensed for lines of business being sold.

M.G.L. c. 175, § 162S: Producers may not act as agent of insurer unless appointed.

18 U.S.C. §1033: Prohibits individuals convicted of state or federal felonies involving dishonesty or breach of trust from being in business of insurance in licensed and non-licensed capacities without written consent of primary regulator.

Division Bulletins 1998-11 and 2001-14: Provides information regarding MA procedures for applying for written consent.

Standard IV-2: The producers are properly licensed and appointed and have appropriate continuing education (if required by state law) in the jurisdiction where the application was taken.

18 U.S.C. §1033; M.G.L. c. 175, §§ 162I, 162S and 177E; 211 CMR 50.00 and 142.05-.06; Division Bulletins 1998-11, 2001-14, 2011-12 and 2011-15.

M.G.L. c. 175, § 162I: Producers must be licensed for lines of business being sold.

M.G.L. c. 175, § 162S: Producers may not act as agent of insurer unless appointed.

M.G.L. c. 175, § 177E: Producers must maintain continuing education requirements.

18 U.S.C. §1033: Prohibits individuals convicted of state or federal felonies involving dishonesty or breach of trust from being in business of insurance in licensed and non-licensed capacities without written consent of primary regulator.

211 CMR 50.00: Requires producers to maintain continuing education requirements.

211 CMR 142.05-06: Producers selling insurance at banks or credit unions shall be licensed under M.G.L. c. 175, § 162I.

Division Bulletins 1998-11 and 2001-14: Provides information regarding procedures for applying for written consent.

Division Bulletin 2011-12: Provides information to producers about compliance with continuing education requirements.

Division Bulletin 2011-15: Allows producers to respond to Division licensure inquiries using attachments from the NAIC National Insurance Producer Registry warehouse and to report enforcement actions in other jurisdictions.

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Standard IV-3: Termination of producers complies with applicable standards, rules and regulations regarding notification to the producer and notification to the state, if applicable.

M.G.L. c. 175, §§ 162R, 162T and 163.

M.G.L. c. 175, § 162R: Defines the reasons for which the Division may terminate a producer's license. Companies may also terminate the agent appointment for such reasons.

M.G.L. c. 175, § 162T: Procedures for termination of agent appointments, and requirement that insurers notify the Division of "for cause" terminations within 30 days.

M.G.L. c. 175, § 163: Other than a "for cause" termination, the Company shall give 180 days' notice to the agent for termination of the appointment.

Standard IV-4: The regulated entity's policy of producer appointments and terminations does not result in unfair discrimination against policyholders.

Standard IV-5: Records of terminated producers adequately document the reasons for terminations.

M.G.L. c. 175, §§ 162R, 162T and 163.

M.G.L. c. 175, § 162R: Defines the reasons for which the Division may terminate a producer's license. Companies may also terminate the agent appointment for such reasons.

M.G.L. c. 175, § 162T: Procedures for termination of agent appointments, and requirement that insurers notify the Division of "for cause" terminations within 30 days.

M.G.L. c. 175, § 163: Other than a "for cause" termination, the Company shall give 180 days' notice to the agent for termination of the appointment.

Standard IV -6: Producer account balances are in accordance with the producer's contract with the insurer.

Policyholder Service

Standard V-1: Premium notices and billing notices are sent out with an adequate amount of advance notice.

M.G.L. c. 175, §§ 193B and 193B ½ and Division Bulletins 2011-13 and 2011-16.

M.G.L. c. 175, §§ 193B: Automobile premium installments are acceptable.

M.G.L. c. 175, § 193B ½: Automobile installment premium shall calculate the interest charge only on the unpaid balance due as of the billing date.

Division Bulletins 2011-13 and 2016: As a result of 2011 storms, insurers shall provide additional time to insureds to make premium payments or and allow insureds to set up premium payment plans.

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Standard V-2: Policy issuance and insured-requested cancellations are timely.

M.G.L. c. 175, § 187B and 187C; Division Bulletin 2008-10.

M.G.L. c. 175, § 187B: Insurers are required to return unearned premium to insureds upon cancellation of policies.

M.G.L. c. 175, § 187C: Insured may request policy cancellation by giving notice to the Company or agent.

Division Bulletin 2008-10: Requirements for insurers to accept private passenger auto transfer requests.

Standard V-3: All correspondence directed to the regulated entity is answered in a timely and responsive manner by the appropriate department.

Standard V-4: Whenever the regulated entity transfers the obligation of its contracts to another regulated entity pursuant to an assumption reinsurance agreement, the regulated entity has gained prior approval of the insurance department and the regulated entity has sent the required notices to affected policyholders.

Standard V-5: Policy transactions are processed accurately and completely.

(Examiner Note: This standard is assumed to cover all post issuance transactions except claims and insured-request cancellations, which is covered in Standard V-2. This standard includes reinstatements, which unlike life and annuity reinstatements are not explicitly covered in these standards.)

Standard V-6: Reasonable attempts to locate missing policyholders or beneficiaries are made.

M.G.L. c. 200A, §§ 1, 2, 7-7B, 8A and 9.

M.G.L. c. 200A, § 1: Includes insurance policies in the definition of property.

M.G.L. c. 200A, §§ 2, 7-7B, 8A and 9: Amounts due policyholders or beneficiaries are presumed abandoned if unclaimed for more than three years after the funds become payable. Annual reporting to the State Treasurer's Office regarding efforts to locate owners is required, and the statutes require payments to the State Treasurer's Office for escheated property.

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Standard V-7: Unearned premiums are correctly calculated and returned to the appropriate party in a timely manner and in accordance with applicable statutes, rules and regulations.

M.G.L. c. 175, §§ 187B and 187C.

Automobile: M.G.L. c. 175, §§ 113A and 176A; 211 CMR 97.05.

M.G.L. c. 175, § 187B: Insurers are required to return unearned premium to insureds upon cancellation of policies.

M.G.L. c. 175, § 187C: Requires insurers to provide written notice of cancellation and return premium as appropriate.

M.G.L. c. 175, § 113A: Provides, in part, that when a motor vehicle policy is cancelled by either the insured or the company, insureds that paid the premium are entitled to a return of premium calculated on a pro rata basis.

M.G.L. c. 175, § 176A: Premium refunds on cancelled motor vehicle policies must be paid to the policyholder within 30 days, and notice of the cancellation must be given.

211 CMR 97.05: Provides for the return of premium and allows the use of short rate tables in certain instances.

Standard V-8: Claims history and loss information is provided to the insured in timely manner.

Underwriting & Rating

Standard VI-1: The rates charged for the policy coverage are in accordance with filed rates (if applicable) or the regulated entity's rating plan.

(Examiner Note: This standard addresses rating filing procedures and filed rates. Laws, regulations and bulletins that specifically address unfair discrimination in rating are also contained in Standards VI-4 and VI-10.)

General: M.G.L. c. 175, § 193R; Division Bulletins 2008-08 and 2011-09.

Private Passenger Automobile: M.G.L. c. 175E, §§ 4 and 7; M.G.L. c. 175, § 113B; 211 CMR 56.04, 79.00 and 134.00; Division Bulletins 2008-17, 2009-12, 2009-13, 2010-01 and 2010-11. Commercial Automobile and Commercial Multi-peril: M.G.L. c. 175A, § 5, 6 and 9; CMR 211 91.00; Division Bulletin 2008-04.

Fire, Marine and Inland Marine: M.G.L. c. 174A, §§ 5, 6 and 9; 211 CMR 131.00.

Workers' Compensation: M.G.L. c. 152, § 53A; 211 CMR 110.00, 113.00 and 115.00.

M.G.L. c. 175, § 193R: For private passenger auto and homeowners insurance, group rating is allowed, but companies must offer no higher than the same rate in the individual market.

M.G.L. c. 175E, § 4: Private passenger auto rates shall not be excessive, inadequate or discriminatory. Policyholders over age 65 get a 25% discount.

M.G.L. c. 175E, § 7: Private passenger auto insurers must file manual of rate classifications, rules, rates, rating plans and any modifications, not less than 45 days before the effective date.

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M.G.L. c. 175E, § 7A: Requirement to reverse any auto surcharges for an-fault accident if the Board of Appeals or Court reverses that determination. Also must report any surcharge reversal to any consumer reporting agency which was notified of the original surcharge.

M.G.L. c. 175, § 113B: Commissioner's authority for private passenger auto rate setting, SDIP discounts and process, and rating information shall not be based upon individuals' credit or credit scores.

211 CMR 56.04: Commissioner must approve participating repair shop endorsement plans with 5-15% reductions presumed reasonable. Approval required outside that range. Policyholder must sign notice at purchase or renewal if option is elected.

211 CMR 79.00: Prescribes private passenger auto rate filing process and rates for the residual market.

211 CMR 91.00: Governs activities of rating organizations, form and content of auto rate filings and the conduct of related hearings.

211 CMR 131.00: Requirements, forms and rates for liability coverage for lead in housing.

211 CMR 134.00: Procedures for private passenger auto Safe Driver Insurance Plan (SDIP).

M.G.L. c. 174A, § 5: Rates for fire, marine & inland marine coverage shall be experienced based and not unfairly discriminatory. Affiliates may make same rate filings or use same rates.

M.G.L. c. 174A, § 6: Fire, marine & inland marine insurers shall file rates with Commissioner 15 days before effective date.

M.G.L. c. 174A, § 9: Fire, marine & inland marine insurer members of rating organizations must use their filed rates, or must file separate rates.

M.G.L. c. 175A, § 5: Rates for commercial auto and general liability insurance shall be based on experience and shall not be unfairly discriminatory. Rates shall not be excessive, inadequate or unfairly discriminatory.

M.G.L. c. 175A, § 6: Such rates must be filed with the Division prior to use.

M.G.L. c. 175A, § 9: Insurers must use such filed rates.

M.G.L. c. 152, § 53A: Specifies a rate filing process and statistical reporting requirements for workers compensation policies using experience rating credits & payroll caps to ensure equitable distribution of premium based on wage differentials. Rates & producer commissions for business ceded to the Commonwealth reinsurance pool are determined by the Division.

211 CMR 110.00, 211 CMR 113.00 and 211 CMR 115.00: Provide guidance on workers compensation rate filing procedures, deductibles, premium credit filings and rate hearings.

Division Bulletin 2008-04: Discusses procedures for filing forms and rates for commercial terrorism coverage and required disclosures.

Division Bulletin 2008-08: Guidelines for filing rate and form filings for all lines of business.

Division Bulletin 2008-17: Guidelines for rating and placement of automobile policies within holding company affiliates or among risk categories within one company.

Division Bulletin 2009-12: Standards for rate filings for the residual market for private passenger auto policies with effective dates of April 1, 2010 and later.

Division Bulletin 2009-13: Standards for rate filings for private passenger auto policies with effective dates of April 1, 2010 and later.

Division Bulletin 2010-01: Guidelines for motorcycle rating.

Division Bulletin 2010-11: Guidelines on rating changes and reporting as a result of Board of Appeals at-fault accident surcharge reversals.

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Division Bulletin 2011-09: Provides filing requirements and procedures for personal lines mass marketing plans.

Standard VI-2: All mandated disclosures are documented and in accordance with applicable statutes, rules and regulations.

Private Passenger Automobile: M.G.L. c. 175E, §§ 11 and 11A; Division Bulletins 2008-05, 2008-07.

Commercial Automobile and Commercial Multi-peril: M.G.L. c. 175A, § 11; Division Bulletin 2008-04.

Fire, Marine and Inland Marine: M.G.L. c. 175, § 99A; M.G.L. c. 174A, § 11.

Workers' Compensation: M.G.L. c. 152, § 25A.

M.G.L. c. 175A, § 11: Insurers shall furnish rate information to insureds upon request.

M.G.L. c. 175E, §§ 11 and 11A: Insurers must produce auto rate information guide outlining coverage choices and approximate costs in language approved by Commissioner. They must also provide "Ways to Save Guide" to all applicants.

M.G.L. c. 175, § 99A: Fire policies must disclose exclusion of coverage for nuclear accidents.

M.G.L. c. 174A, § 11: Insurers shall timely furnish rate information to insureds upon request.

M.G.L. c. 152, § 25A: Each workers compensation insurer must offer policy deductibles, including reasonable small deductibles optional to the policyholder, which shall be fully disclosed to prospective policyholders in writing.

Division Bulletin 2008-04: Discusses commercial terrorism coverage required disclosures.

Division Bulletin 2008-05: Requirement to provide private passenger auto consumers with "Ways to Save Guide."

Division Bulletin 2008-07: Requirement to obtain written acknowledgement from applicant regarding terms of six month private passenger auto policies.

Standard VI-3: The regulated entity does not permit illegal rebating, commission cutting or inducements.

General: M.G.L. c. 175, §§ 177, 182, 183 and 184; M.G.L. c. 176D, § 3(8).

Automobile: Division Bulletin 2010-06.

Workers' Compensation: M.G.L. c. 152, § 53A, 211 CMR 45.00.

M.G.L. c. 175, § 177: Insurers and producers may not pay compensation to unlicensed entities, but it is permissible to pay referral fees to unlicensed employees of licensed producers.

M.G.L. c. 175, § 182: Inducements not specified in policy are illegal.

M.G.L. c. 175, § 183: Rebates not specified in a policy are illegal.

M.G.L. c. 175, § 184: Clarifies application of previous two sections.

M.G.L. c. 176D, § 3(8): Rebates, inducements and other valuable provisions not specified in policy contract may not be given.

M.G.L. c. 152, § 53A: Requires the Division to determine producer commissions for workers' compensation business ceded to the Commonwealth reinsurance pool.

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211 CMR 45.00: Establishes service fees for producers assisting with placement of workers' compensation risks in the reinsurance pool.

Division Bulletin 2010-06: Guidelines for auto salespersons involved in selling auto insurance.

Standard VI-4: The regulated entity underwriting practices are not unfairly discriminatory. The regulated entity adheres to applicable statutes, rules and regulations and regulated entity guidelines in the selection of risks.

(Examiner Note: The Division interprets this standard as addressing unfair discrimination in underwriting primarily as impacted through rating, since Standard VI-7 addresses unfair discrimination in underwriting declinations and rejections. Also, the laws, regulations and bulletins referenced in this standard are identical to those referenced in Standard VI-10 since that standard also addresses unfair discrimination in rating.)

General: M.G.L. c. 175, §§ 193R and 193T; Division Bulletins 2011-09, 2011-13 and 2011-16.

Automobile: M.G.L. c. 175E, §§ 4 and 7A; M.G.L. c. 175, § 22E, 113K and 113N; 211 CMR 88.00; Division Bulletins 2008-17 and 2010-11.

Homeowners: M.G.L. c. 175, §§ 4C and 95B.

Commercial Automobile and Commercial Multi-peril: M.G.L. c. 175A, § 5.

Fire, Marine and Inland Marine: M.G.L. c. 174A, § 5.

M.G.L. c. 175E, § 4: Auto rates shall not be excessive, inadequate or discriminatory. Private passenger auto policyholders over age 65 get a 25% discount, and rating information shall not be based upon individuals' credit or credit scores.

M.G.L. c. 175E, § 7A: Requirement to reverse any auto surcharges for an-fault accident if the Board of Appeals or Court reverses that determination. Also must report any surcharge reversal to any consumer reporting agency which was notified of the original surcharge.

M.G.L. c. 175, § 4C: Homeowners insurers may not discriminate based on race, color, religious creed, national origin, sex etc.

M.G.L. c. 175, § 22E: Insurers may not refuse to issue or renew an auto policy based on an insured's age, sex, race, occupation or marital status, or the vehicle's principal place of garaging.

M.G.L. c. 175, § 95B: Discrimination against abuse victims in residential property insurance sales is prohibited.

M.G.L. c. 175, § 113K: Persons aged 16 or older may purchase automobile insurance.

M.G.L. c. 175, § 113N: Prohibits medical exams as a condition of underwriting an auto policy.

M.G.L. c. 175, § 193R: For private passenger auto and homeowners insurance, group rating is allowed, but companies must offer no higher than the same rate in the individual market.

M.G.L. c. 175, § 193T: Discrimination in any insurance policy based on partial blindness, blindness, intellectual disability or physical impairment is prohibited, except based on actuarial principles.

M.G.L. c. 175A, § 5: Rates for commercial automobile and multi-peril policies shall be based on past and prospective loss experience, a reasonable margin for underwriting profit and contingencies, investment income, unearned premium reserves and loss reserves. Rates shall not be excessive, inadequate or unfairly discriminatory.

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M.G.L. c. 174A, § 5: Fire, marine and inland marine rates shall be based on past and prospective loss experience during a period of not less than the most recent five-year period for which such experience is available, and shall consider a reasonable margin for underwriting profit and contingencies. Finally, such rates shall not be excessive, inadequate or unfairly discriminatory.

211 CMR 88.00: Provides procedures for individuals to appeal accident and SDIP surcharges.

Division Bulletin 2008-17: Guidelines for rating and placement of automobile policies within holding company affiliates or among risk categories within one company.

Division Bulletin 2010-11: Guidelines on rating changes and reporting as a result of Board of Appeal at-fault accident surcharge reversals.

Division Bulletin 2011-09: Provides filing requirements and procedures for personal lines mass marketing plans.

Division Bulletins 2011-13 and 2011-16: As a result of 2011 storms, insurers shall not unfairly charge higher rates to an insured solely as a result of being a storm victim.

Standard VI-5: All forms, including contracts, riders, endorsement forms and certificates are filed with the insurance department, if applicable.

(Examiner Note: This standard is essentially identical with standard VI-19 and thus the laws, regulations and bulletins are the same for both.)

General: M.G.L. c. 175, §§ 2B, 22A and 192; Division Bulletins 2008-08 and 2011-07.

Automobile: M.G.L. c. 175, §§113A and 113H; 211 CMR 3.00; Division Bulletins 2008-13, 2009-06 and 2011-02.

Commercial: Division Bulletin 2008-04.

Property/Liability: M.G.L. c. 175, §§ 4D, 99, 99B and 111H; 211 CMR 131.00, Division Bulletins 2010-03 and 2011-04.

Workers' Compensation: M.G.L. c. 152, § 53A; 211 CMR 113.00 and 115.00.

M.G.L. c. 175, § 2B: Policy form language, size and content standards for all policies must meet statutory requirements for readability and understanding.

M.G.L. c. 175, § 4D: Requires offering coverage for liquid fuel spills on homeowners policies.

M.G.L. c. 175, § 22A: Requires filing of policy forms.

M.G.L. c. 175, § 99: Fire policy form requirements.

M.G.L. c. 175, § 99B: Form authority and approval for commercial property and multi-peril condo risks.

M.G.L. c. 175, § 111H: Insurers shall cover lead exposure claims on liability policies providing coverage to an owner of premises for which a letter of interim or full compliance is in effect.

M.G.L. c. 175, § 113A: Motor vehicle policy form approval required.

M.G.L. c. 175, § 113H: Requires auto insurers to participate in assigned risk residual markets as part of their plan of operation.

M.G.L. c. 175, § 192: Endorsements must be filed with the Division prior to use.

211 CMR 3.00: Guidelines for motorcycle policies.

211 CMR 113.00 and 211 CMR 115.00: Guidance on workers' compensation deductibles.

211 CMR 131.00: Requirements, forms and rates for liability coverage for lead in housing.

M.G.L. c. 152, § 53A: Requires workers' compensation policy forms to be filed with the Division.

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Division Bulletin 2008-04: Procedures for filing forms/rates for commercial terrorism coverage.
Division Bulletin 2008-08: Guidelines for filing rate and form filings for all lines of business.
Division Bulletin 2008-13: Clarification of “High Theft Vehicles” and types of anti-theft devices.
Division Bulletin 2009-06: Guidelines for commercial motor vehicle liability policy deductibles.
Division Bulletin 2010-03: Clarification on coverage for liquid fuel spills on homeowners policies.
Division Bulletin 2011-02: Guidance to insurers on annual filing of motor vehicle liability certificates with the Division.
Division Bulletin 2011-04: Clarification of terrorism coverage on commercial property risks.
Division Bulletin 2011-07: Guidance on use of certificates of insurance to consumers.

Standard VI-6: Policies, riders and endorsements are issued or renewed accurately, timely and completely.

M.G.L. c. 175, § 113S and 211 CMR 94.00.

M.G.L. c. 175, § 113S: Pre-inspection of vehicles required for all but new cars, cars of customers for the past 3 years and those for which the inspection would be a hardship.

211 CMR 94.00: Standards and procedures for motor vehicle pre-insurance inspections, exemptions and suspension of physical damage coverage for no inspection.

Standard VI-7: Rejections and declinations are not unfairly discriminatory.

(Examiner Note: This standard applies to applications for insurance which are rejected or declined by the company. It does not apply to cancelled or non-renewed coverage. The standard should also cover declination notices, although except for the Federal Fair Credit Reporting Act, there are no Massachusetts laws, regulations or bulletins regarding declinations.)

General: M.G.L. c. 175, § 193T and Division Bulletins 2011-13 and 2011-16.

Automobile: M.G.L. c. 175, §§ 4E, 22E, 113D, 113K and 113N.

Property/Liability: M.G.L. c. 175, §§ 4C and 95B; M.G.L. c. 175C, § 3.

Homeowners: Fair Credit Reporting Act, § 615(a).

M.G.L. c. 175, § 4E: Insurers may not decline private passenger auto applicants based on credit or credit scores.

M.G.L. c. 175, § 4C: Insurers may not discriminate based on race, color, religious creed, national origin, sex etc. when issuing or renewing homeowner’s policies.

M.G.L. c. 175, § 22E: Insurers may not refuse to issue or renew an auto policy based on an insured’s age, sex, race, occupation or marital status, or the vehicle’s principal place of garaging.

M.G.L. c. 175, § 95B: Discrimination against abuse victims in residential property insurance sales is prohibited.

M.G.L. c. 175, § 113D: Auto policyholders who are rejected for coverage or cancelled can file a complaint within 10 days with the Board of Appeals.

M.G.L. c. 175, § 113K: Persons aged 16 or older may purchase automobile insurance.

M.G.L. c. 175, § 113N: Prohibits medical exams as a condition of underwriting an auto policy.

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M.G.L. c. 175, § 193T: Denial of an insurance policy based on partial blindness, blindness, intellectual disability or physical impairment is prohibited, except based on actuarial principles.

M.G. L c. 175C, § 3: Insurers or producers may not direct any producer to not solicit property risks which would be underwritten by the property joint underwriting association, of which all insurers are required to be members.

Fair Credit Reporting Act, § 615(a): Requires written notice to homeowners insurance applicants, who are denied coverage due to a credit or insurance score, including notice that they have been denied coverage based on their credit report from a consumer reporting agency and notice of the rights of the applicants

Division Bulletins 2011-13 and 2016: As a result of 2011 storms, insurers shall not unfairly decline applicants solely as a result of being a storm victim.

Standard VI-8: Cancellation/nonrenewal, discontinuance and declination notices comply with policy provisions, state laws and regulated entity guidelines.

(Examiner Note: This standard addresses company cancellations and non-renewals for any reason, as well as the notices thereon. Also, since Standard VI-24 is nearly identical, the laws, regulations and bulletins are identical.)

General: M.G.L. c. 175, §§ 187C and 187D.

Personal Lines: M.G.L. c. 175, § 193R and Division Bulletins 2011-09, 2011-13 and 2011-16.

Private Passenger Automobile: M.G.L. c. 175, §§ 4E, 22C, 113A and 113F; 211 CMR 97.00.

Homeowners: M.G.L. c. 175, §§ 99 and 193P.

Workers' Compensation: M.G.L. c. 152, §§ 55A and 65B.

M.G.L. c. 175, § 187C and 187D: Requires insurers to provide written notice of cancellation for any insurance policy for any reason including for non-payment of premium.

M.G.L. c. 175, § 193R: Insurers may not cancel individual members of a group plan except for fraud or non-payment.

M.G.L. c. 175, § 4E: Insurers may not non-renew private passenger auto policyholders based on credit or credit scores.

M.G.L. c. 175, § 22C: Auto coverage cancellable due to non-payment, fraud, license suspension or failure to comply with renewal requirements after 30 days notice.

M.G.L. c. 175, § 113A: Insurers must give 20 days' notice to cancel, must give the specific reason and must obtain a certificate of mailing receipt from post office and any return premium paid.

M.G.L. c. 175, § 113F: Insurers must give 45 days' notice to the DMV and to the insured or agent to non-renew coverage. An agent must notify the insured within 15 days of receipt of notice.

M.G.L. c. 175, § 99: Within the first 60 days of coverage, an insurer may cancel homeowners coverage by giving 5 days written notice to insured for underwriting reasons and 10 days notice for non-payment of premium. 20 days notice must be given to mortgagee in all cases. The specific reason must be given in all cases. After 60 days, the coverage may only be cancelled for non-payment, illegal act, fraud or material changes in the risk.

M.G.L. c. 175, § 193P: Insurers must give 45 days' written notice to insured or to the agent with the specific reason stated, to non-renew homeowners coverage. Agent must notify insured within 15 days of receipt.

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M.G.L. c. 152 § 55A: Allows mid-term notice of cancellation only if based on premium nonpayment, fraud affecting the policy or insured; or a substantial increase in the risk.

M.G.L. c. 152 § 65B: Written cancellation notice required to the rating organization and insured, which is effective unless the employer, within 10 days of receipt, files objection.

211 CMR 97.00: Guidelines for cancellation and non-renewal of motor vehicle policies with such notices requiring the specific reason.

Division Bulletin 2011-09: Provides filing requirements and procedures for personal lines mass marketing plans.

Division Bulletins 2011-13 and 2016: As a result of 2011 storms, insurers shall not cancel or non-renew coverage solely as a result of being a storm victim.

Standard VI-9: Rescissions are not made for non-material misrepresentation.

Private Passenger Automobile: M.G.L. c. 175, § 22C.

Homeowners: M.G.L. c. 175, § 99.

M.G.L. c. 175, § 22C: Auto coverage cancellable due to non-payment, fraud, license suspension or failure to comply with renewal requirements after 30 days notice.

M.G.L. c. 175, § 99: Homeowners coverage may only be cancelled at any time for non-payment, illegal act, fraud or material changes in the risk.

Standard VI-10: Credits, debits and deviations are consistently applied on a non-discriminatory basis.

(Examiner Note: The Division interprets this standard as addressing unfair discrimination in rating. As such, the laws, regulations and bulletins referenced in this standard are identical to those referenced in Standard VI-4, since that standard also addresses unfair discrimination in rating.)

General: M.G.L. c. 175, §§ 193R and 193T; Division Bulletins 2011-09, 2011-13 and 2011-16.

Automobile: M.G.L. c. 175E, §§ 4 and 7A; M.G.L. c. 175, § 22E, 113K and 113N; 211 CMR 88.00; Division Bulletins 2008-17 and 2010-11.

Homeowners: M.G.L. c. 175, §§ 4C and 95B.

Commercial Automobile and Commercial Multi-peril: M.G.L. c. 175A, § 5.

Fire, Marine and Inland Marine: M.G.L. c. 174A, § 5.

M.G.L. c. 175E, § 4: Auto rates shall not be excessive, inadequate or discriminatory. Private passenger auto policyholders over age 65 get a 25% discount, and rating information shall not be based upon individuals' credit or credit scores.

M.G.L. c. 175E, § 7A: Requirement to reverse any auto surcharges for an-fault accident if the Board of Appeals or Court reverses that determination. Also must report any surcharge reversal to any consumer reporting agency which was notified of the original surcharge.

M.G.L. c. 175, § 4C: Homeowners insurers may not discriminate based on race, color, religious creed, national origin, sex etc.

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M.G.L. c. 175, § 22E: Insurers may not refuse to issue or renew an auto policy based on an insured's age, sex, race, occupation or marital status, or the vehicle's principal place of garaging.

M.G.L. c. 175, § 95B: Discrimination against abuse victims in residential property insurance sales is prohibited.

M.G.L. c. 175, § 113K: Persons aged 16 or older may purchase automobile insurance.

M.G.L. c. 175, § 113N: Prohibits medical exams as a condition of underwriting an auto policy.

M.G.L. c. 175, § 193R: For private passenger auto and homeowners insurance, group rating is allowed, but companies must offer no higher than the same rate in the individual market.

M.G.L. c. 175, § 193T: Discrimination in any insurance policy based on partial blindness, blindness, intellectual disability or physical impairment is prohibited except based on actuarial principles.

M.G.L. c. 174A, § 5: Rates for fire, marine & inland marine coverage shall be experienced based and not unfairly discriminatory.

M.G.L. c. 175A, § 5: Rates for commercial auto and multi-peril insurance shall be based on experience and shall not be unfairly discriminatory.

211 CMR 88.00: Provides procedures for individuals to appeal accident and SDIP surcharges.

Division Bulletin 2008-17: Guidelines for rating and placement of automobile policies within holding company affiliates or among risk categories within one company.

Division Bulletin 2010-11: Guidelines on rating changes and reporting as a result of Board of Appeal at-fault accident surcharge reversals.

Division Bulletin 2011-09: Provides filing requirements and procedures for personal lines mass marketing plans.

Division Bulletins 2011-13 and 2011-16: As a result of 2011 storms, insurers shall not unfairly charge higher rates to an insured solely as a result of being a storm victim.

Standard VI-11: Schedule rating or individual risk premium modification plans, where permitted, are based on objective criteria with usage supported by appropriate documentation.

General: Division Bulletin 2008-08.

Commercial Automobile and Commercial Multi-peril: M.G.L. c. 175A, § 5; 211 CMR 91.00.

Workers' Compensation: M.G.L. c. 152, § 53A; 211 CMR 110.00 and 211 CMR 113.00.

M.G.L. c. 175A, § 5: Rates for commercial auto and general liability insurance shall be based on experience and shall not be unfairly discriminatory.

M.G.L. c. 152, § 53A: Specifies a rate filing process and permits downward deviations in rates pending the Division's approval.

211 CMR 91.00: Governs activities of rating organizations, form and content of auto rate filings and the conduct of related hearings.

211 CMR 110.00: Provides guidance on workers' compensation rate filing procedures and the conduct of hearings.

211 CMR 113.00: Requires premium credits to be filed with the Division by the WCRIB.

Division Bulletin 2008-08: Guidelines for filing rate and form filings for all lines of business.

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Standard VI-12: Verification of use of the filed expense multipliers; the regulated entity should be using a combination of loss costs and expense multipliers filed with the insurance department.

Workers' Compensation: M.G.L. c. 152, § 53A and 211 CMR 110.00.

M.G.L. c. 152, § 53A: Specifies a rate filing process and statistical reporting requirements for workers compensation policies that uses experience rating credits and payroll caps to ensure equitable distribution of premium based on wage differentials. Further, the Division determines rates and producer commissions for business ceded to the Commonwealth reinsurance pool.

211 CMR 110.00: provides guidance on rate filing procedures and the conduct of hearings.

Standard VI-13: Verification of premium audit accuracy and the proper application of rating factors.

Standard VI-14: Verification of experience modification factors.

Workers' Compensation: M.G.L. c. 152, § 53A and 211 CMR 110.00.

M.G.L. c. 152, § 53A: Specifies a rate filing process and statistical reporting requirements for workers' compensation policies that uses experience rating credits and payroll caps to ensure equitable distribution of premium based on wage differentials. Further, the Division determines rates and producer commissions for business ceded to the Commonwealth reinsurance pool.

211 CMR 110.00: Provides guidance on rate filing procedures and the conduct of hearings.

Standard VI-15: Verification of loss reporting.

Standard VI-16: Verification of the regulated entity's data provided in response to the NCCI call on deductibles.

Standard VI-17: Underwriting, rating and classification are based on adequate information developed at or near the inception of coverage, rather than near expiration or following a claim.

Standard VI-18: Audits, when required, are conducted accurately and timely.

Standard VI-19: All forms and endorsements forming a part of the contract are listed on the declaration page and should be filed with the insurance department (if applicable).

(Examiner Note: This standard is essentially identical with standard VI-5 and thus the laws, regulations and bulletins are the same for both.)

General: M.G.L. c. 175, §§ 2B, 22A and 192; Division Bulletins 2008-08 and 2011-07.

Automobile: M.G.L. c. 175, §§113A and 113H; 211 CMR 3.00; Division Bulletins 2008-13, 2009-06 and 2011-02.

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Property/Liability: M.G.L. c. 175, §§ 4D, 99, 99B and 111H; 211 CMR 131.00, Division Bulletins 2010-03 and 2011-04.

Workers' Compensation: M.G.L. c. 152, § 53A; 211 CMR 113.00 and 115.00.

M.G.L. c. 175, § 2B: Policy form language, size and content standards for all policies must meet statutory requirements for readability and understanding.

M.G.L. c. 175, § 4D: Requires offering coverage for liquid fuel spills on homeowners policies.

M.G.L. c. 175, § 22A: Requires filing of policy forms.

M.G.L. c. 175, § 99: Fire policy form requirements.

M.G.L. c. 175, §99B: Form authority and approval for commercial property and multi-peril condo risks.

M.G.L. c. 175, § 111H: Insurers shall cover lead exposure claims on liability policies providing coverage to an owner of premises for which a letter of interim or full compliance is in effect.

M.G.L. c. 175, § 113A: Motor vehicle policy form approval required.

M.G.L. c. 175, § 113H: Requires auto insurers to participate in assigned risk residual markets as part of their plan of operation.

M.G.L. c. 175, § 192: Endorsements must be filed with the Division prior to use.

211 CMR 3.00: Guidelines for motorcycle policies.

211 CMR 113.00 and 211 CMR 115.00: Guidance on workers' compensation deductibles.

211 CMR 131.00: Requirements, forms and rates for liability coverage for lead in housing.

M.G.L. c. 152, § 53A: Requires workers' compensation policy forms to be filed with the Division.

Division Bulletin 2008-04: Procedures for filing forms/rates for commercial terrorism coverage.

Division Bulletin 2008-08: Guidelines for filing rate and form filings for all lines of business.

Division Bulletin 2008-13: Clarification of "High Theft Vehicles" and types of anti-theft devices.

Division Bulletin 2009-06: Guidelines for commercial motor vehicle liability policy deductibles.

Division Bulletin 2010-03: Clarification on coverage for liquid fuel spills on homeowners policies.

Division Bulletin 2011-02: Guidance to insurers on annual filing of motor vehicle liability certificates with the Division.

Division Bulletin 2011-04: Clarification of terrorism coverage on commercial property risks

Division Bulletin 2011-07: Guidance on use of certificates of insurance to consumers.

Standard VI-20: Regulated entity verifies that the VIN number submitted with the application is valid and that the correct symbol is utilized.

M.G.L. c. 175, § 113S and 211 CMR 94.00.

M.G.L. c. 175, § 113S: Pre-inspection of vehicles required for all but new cars, cars of customers for the past 3 years and those for which the inspection would be a hardship.

211 CMR 94.00: Requires that pre-insurance vehicle inspections verify the VIN.

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Standard VI-21: The regulated entity does not engage in collusive or anti-competitive underwriting practices.

M.G.L. c. 176D, §§ 3(4) and 3A.

M.G.L. c. 176D, § 3(4): Insurers may not use boycotting, coercion or intimidation that results in or tends to result in unreasonable restraint or monopoly in the business of insurance.

M.G.L. c. 176D, § 3A: Defines unfair & deceptive acts or practices in business of insurance insurers, non-profit hospital service corporations, medical service corporations and HMOs.

Standard VI-22: The regulated entity's underwriting practices are not unfairly discriminatory. The regulated entity adheres to applicable statutes, rules and regulations in its application of mass marketing plans.

M.G.L. c. 175, § 193R and Division Bulletin 2011-09.

M.G.L. c. 175, § 193R: For private passenger auto and homeowners insurance, group rating is allowed, but companies must offer no higher than the same rate in the individual market.

Division Bulletin 2011-09: Provides filing requirements and procedures for personal lines mass marketing plans.

Standard VI-23: All group personal lines property and casualty policies and programs meet minimum requirements.

M.G.L. c. 175, § 193R and Division Bulletin 2011-09.

M.G.L. c. 175, § 193R: For private passenger auto and homeowners insurance, group rating is allowed, but companies must offer no higher than the same rate in the individual market.

Division Bulletin 2011-09: Provides filing requirements and procedures for personal lines mass marketing plans.

Standard VI-24: Cancellation/nonrenewal notices comply with policy provisions and state laws, including the amount of advance notice provided to the insured and other parties to the contract.

(Examiner Note: This standard addresses company cancellations and non-renewals for any reason, as well as the notices thereon. Also, since Standard VI-8 is nearly identical, the laws, regulations and bulletins are the same.)

General: M.G.L. c. 175, §§ 187C and 187D.

Personal Lines: M.G.L. c. 175, § 193R and Division Bulletins 2011-09, 2011-13 and 2011-16.

Private Passenger Automobile: M.G.L. c. 175, §§ 4E, 22C, 113A and 113F; 211 CMR 97.00.

Homeowners: M.G.L. c. 175, §§ 99 and 193P.

Workers' Compensation: M.G.L. c. 152, §§ 55A and 65B.

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M.G.L. c. 175, § 187C and 187D: Requires insurers to provide written notice of cancellation for any insurance policy for any reason including for non-payment of premium.

M.G.L. c. 175, § 193R: Insurers may not cancel individual members of a group plan except for fraud or non-payment.

M.G.L. c. 175, § 4E: Insurers may not non-renew private passenger auto policyholders based on credit or credit scores.

M.G.L. c. 175, § 22C: Auto coverage cancellable due to non-payment, fraud, license suspension or non-renewable for failure to comply with renewal requirements after 30 days notice.

M.G.L. c. 175, § 113A: Insurers must give 20 days' notice to cancel, must give the specific reason and must obtain a certificate of mailing receipt from post office and any return premium paid.

M.G.L. c. 175, § 113F: Insurers must give 45 days' notice to the DMV and to the insured or agent to non-renew coverage. An agent must notify the insured within 15 days of receipt of notice.

M.G.L. c. 175, § 99: Within the first 60 days of coverage, an insurer may cancel homeowners coverage by giving 5 days written notice to insured for underwriting reasons and 10 days notice for non-payment of premium. 20 days notice must be given to mortgagee in all cases. The specific reason must be given in all cases. After 60 days, the coverage may only be cancelled for non-payment, illegal act, or material changes in the risk.

M.G.L. c. 175, § 193P: Insurers must give 45 days' written notice to insured or to the agent with the specific reason stated, to non-renew homeowners coverage. Agent must notify insured within 15 days of receipt.

M.G.L. c. 152 § 55A: Allows mid-term notice of cancellation only if based on premium nonpayment, fraud affecting the policy or insured; or a substantial increase in the risk.

M.G.L. c. 152 § 65B: Written cancellation notice required to the rating organization and insured, which is effective unless the employer, within 10 days of receipt, files objection.

211 CMR 97.00: Guidelines for cancellation and non-renewal of motor vehicle policies with such notices requiring the specific reason.

Division Bulletin 2011-09: Provides filing requirements and procedures for personal lines mass marketing plans.

Division Bulletins 2011-13 and 2016: As a result of 2011 storms, insurers shall not cancel or non-renew coverage solely as a result of being a storm victim.

Standard VI-25: All policies are correctly coded.

All Lines: M.G.L. c. 174A, § 15; M.G.L. c. 175A, § 15; 211 CMR 15.00

M.G.L. c. 174A, § 15; M.G.L. c. 175A, § 15; 211 CMR 15.00: Authority for the Division to, and establishment of statistical rating plans.

Standard VI-26: Application or enrollment forms are properly, accurately and fully completed, including any required signatures, and file documentation supports decisions made.

M.G.L. c. 175, § 98: Fire coverage for buildings requires a Division approved application to be completed and is considered to be part of the policy.

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Standard VII-1: The initial contact by the regulated entity with the claimant is within the required time frame.

General: M.G.L. c. 176D, § 3(9)(b) and Division Bulletins 2011-13 and 2011-16.
Workers Compensation: M.G.L. c. 152, § 7.

M.G.L. c. 176D, § 3(9)(b): Failure to acknowledge and act reasonably promptly to claim related communications is an unfair claim settlement practice.

M.G.L. c. 152, § 7: Requires the insurer to either commence payment of weekly benefits within 14 days of an insurer's receipt of an employer's first report of injury or an initial written claim for weekly benefits, or notify the Department of Industrial Accidents ("DIA"), the employer, and the employee, of its refusal to commence payment. The notice shall specify the grounds and factual basis for the refusal to commence payment and be delivered by certified mail.

Division Bulletins 2011-13 and 2011-16: As a result of 2011 severe storms, insurers should expedite claims process for those affected.

Standard VII-2: Timely investigations are conducted.

General: M.G.L. c. 176D, § 3(9)(c) and Division Bulletins 2011-13 and 2011-16.
Automobile: 211 CMR 74.00.

M.G.L. c. 176D, § 3(9)(c): Failure to adopt and implement reasonable standards for prompt claim investigations is an unfair claim settlement practice.

211 CMR 74.00: Process and Standards of Fault for At-Fault Surcharge Appeals

Division Bulletins 2011-13 and 2011-16: As a result of 2011 severe storms, insurers should conduct prompt claim investigations.

Standard VII-3: Claims are resolved in a timely manner.

General: M.G.L. c. 176D, § 3(9)(f); M.G.L. c. 175, §§ 28 and 112 and Division Bulletins 2011-13 and 2011-16.

Automobile: M.G.L. c. 175, §§ 1130 and 191A; 211 CMR 123.00.

Workers' Compensation: M.G. L. c. 152, § 7.

M.G.L. c. 176D, § 3(9)(f): Failure to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear is an unfair claim practice.

M.G.L. c. 175, § 28: Authorizes the Commissioner to make a report to the General Court of insurers who unduly engage in litigation, or unfairly and unreasonably deny legally valid claims.

M.G.L. c. 175, § 112: Insured satisfaction of loss final judgment is irrelevant to insurer duty to make payment; Insurer shall not deny payment due to insured's failure to report a claim.

M.G.L. c. 175, § 1130: Insurer shall not pay auto theft or comprehensive claims until insured submits claim form stating repair work described in appraisal has been completed.

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M.G.L. c. 175, § 191A: Insureds must give timely notice of auto property damage loss to a company or its agent, and must report loss to police. A company must pay such claims within 60 days of receiving the proof of loss.

211 CMR 123.00: Requirements for direct payment and referral repair shop plans.

M.G.L. c. 152, § 7: Requires the insurer to either commence payment of weekly benefits within 14 days of its receipt of an employer's first report of injury or an initial written claim for weekly benefits, or to notify the DIA, the employer, and the employee of its refusal to commence payment. The notice shall specify the grounds and factual basis for the refusal to commence payment and must be delivered by certified mail.

Division Bulletins 2011-13 and 2011-16: As a result of 2011 severe storms, insurers should expedite claims process for those affected.

Standard VII-4: The regulated entity responds to claims correspondence in a timely manner.

General: M.G.L. c. 176D, §§ 3(9)(b) and 3(9)(e).

Workers Compensation: M.G. L. c. 152, § 7.

M.G.L. c. 176D, § 3(9)(b): Failure to acknowledge and act reasonably promptly to claim related communications is an unfair claim settlement practice.

M.G.L. c. 176D, § 3(9)(e): Failure to affirm or deny coverage within a reasonable time after the claimant has given proof of loss is an unfair claim settlement practice.

M.G.L. c. 152, § 7: Requires the insurer to either commence payment of weekly benefits within 14 days of its receipt of an employer's first report of injury or an initial written claim for weekly benefits, or to notify the DIA, the employer, and the employee of its refusal to commence payment. The notice shall specify the grounds and factual basis for the refusal to commence payment, and must be delivered by certified mail.

Standard VII-5: Claim files are adequately documented.

Standard VII-6: Claims are properly handled in accordance with policy provisions and applicable statutes (including HIPAA), rules and regulations.

General: M.G.L. c. 176D, §§ 3(9)(d) and 3(9)(f); M.G.L. c. 175, §§ 22I, 24D, 24E, 24F, 111F, 112 and 112C.

Automobile: M.G.L. c. 175, §§ 113J, 113O and 193K; M.G.L. c. 175E, § 7A; 211 CMR 75.00 and 133.00; 212 CMR 2.00; Division Bulletins 2008-12 and 2011-14.

Property/Liability: M.G.L. c. 175, §§ 96, 97, 97A, 100 and 102; M.G.L. c. 139, § 3B.

Workers' Compensation: M.G. L. c. 152, §§ 7, 8, 29, 31, 33, 34, 34A, 35, 36, 36A and 50.

M.G.L. c. 176D, §§ 3(9)(d): Refusal to pay claims without conducting a reasonable investigation based upon all available information is an unfair claim settlement practice.

M.G.L. c. 175, § 3(9)(f): Failure to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear is an unfair trade practice.

M.G.L. c. 175, § 22I: Companies may retain unpaid premium due from claim settlements.

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M.G.L. c. 175, § 24D: Insurers must communicate with the Department of Revenue to determine whether the claimant owes past due child support not less than 10 days prior to making payment and intercept non-recurring liability coverage payments over \$500 for those claimants with past due child support.

M.G.L. c. 175, § 24E: Insurer must exchange information with the Commonwealth not less than 10 business days prior to making a liability coverage payment over \$500 to a claimant who has received public assistance benefits.

M.G.L. c. 175, § 24F: Insurer must exchange information with the Commonwealth not less than 10 business days prior to making a liability coverage payment over \$500 to a claimant who has owes back taxes.

Insurers must communicate with Commonwealth regarding claimants with unpaid taxes.

M.G.L. c. 175, § 111F: Insurers must provide medical reports to injured persons or their attorney.

M.G.L. c. 175, § 112: Insured satisfaction of loss final judgment is irrelevant to insurer duty to make payment; Insurer shall not deny payment due to insured's failure to report a claim

M.G.L. c. 175, § 112C: Insurers must reveal the limits of an insured's liability coverage to an injured party making a claim against the insured upon their written request.

MM.G.L. c. 175, § 113J: Insurers must provide medical reports to injured persons or their attorney if claimant provides all medical treatment reports to the insurer upon request.

M.G.L. c. 175, § 113O: Insurer shall not pay auto theft or comprehensive claims until insured submits claim form stating repair work described in appraisal has been completed.

MGL c. 175 193K: Insurers may not discriminate in auto claims based on race or religion.

211 CMR 75.00: Insurers must report vehicle theft to the National Insurance Crime Bureau.

211 CMR 133.00: Uniform standards for vehicle repair only when insurers pay the costs.

212 CMR 2.00: Procedures for conducting motor vehicle damage appraisals.

M.G.L. c. 175, § 96: When a building is destroyed by fire, the insurer's liability is limited to the actual cash value of the insured property.

M.G.L. c. 175, § 97: Companies must pay fire losses to mortgagees of property upon satisfactory proof of rights and title in accordance with the insurance policy.

M.G.L. c. 175, § 100: Standards for selecting a referee when there is disagreement on the loss settlement amount.

M.G.L. c. 175, § 102: Insureds under a fire policy are not precluded from recovery by failing to render a sworn statement.

M.G.L. c. 175E, § 7A: Provides that a person charged with an at-fault accident may appeal the decision to the Board of Appeals. Further, any reversal of the at-fault determination by the Board of Appeals must be communicated by the insurer to consumer reporting agencies if the original at-fault determination was provided to such consumer reporting agencies.

M.G.L. c. 139, § 3B: Companies may not pay claims in excess of \$1,000 on dangerous buildings or structures without first giving 10 days written notice to the building inspector or commissioner appointed pursuant to the state building code, to the fire department and to the Board of Health for the city or town where the property is located.

211 CMR 51.00: Workers' compensation preferred provider arrangements and requirement that the Division approve such arrangements.

M.G.L. c. 152, § 7: Requires the insurer to either commence payment of weekly benefits within 14 days of an insurer's receipt of an employer's first report of injury or an initial written claim

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for weekly benefits, or to notify the DIA, the employer, and the employee of its refusal to commence payment. The notice shall specify the grounds and factual basis for the refusal to commence payment, and must be delivered by certified mail.

M.G.L. c. 152, § 8: Allows an insurer to terminate or modify payments at any time within 180 days of commencement of disability without penalty, if such change is based on the actual income of the employee or if it gives the employee and the Department at least seven days written notice of its intent to stop or modify payments and to contest any claim filed. The notice shall specify the grounds and factual basis for stopping or modifying payment of benefits and the insurer's intention to contest.

M.G.L. c. 152, § 29: No compensation shall be paid for any injury which does not incapacitate the employee from earning full wages for a period of five or more calendar days. If incapacity extends for a period of 21 days or more, compensation shall be paid from the date of onset of incapacity. If incapacity extends for a period of at least five but less than 21 days, compensation shall be paid from the sixth day of incapacity. Generally, no compensation shall be paid for any period for which any wages were earned.

M.G.L. c. 152, § 31: If death results from the injury, the insurer shall pay compensation to dependents of the employee who were wholly dependent upon his or her earnings for support.

M.G.L. c. 152, § 33: requires the insurer to pay the reasonable expenses of burial not exceeding \$4,000.

M.G.L. c. 152, § 34: While incapacity is total, during each week of incapacity the insurer shall pay the injured employee compensation equal to 60 percent of his or her average weekly wage before the injury, subject to defined limits. The total number of weeks of compensation due the employee shall not exceed 156 weeks.

M.G.L. c. 152, § 34A: For injuries both permanent and total, the insurer shall pay to the injured employee, following payment of compensation provided in M.G.L. c. 152, §§ 34 and 35, a weekly compensation equal to two-thirds of the average weekly wage before the injury, subject to defined limits.

M.G.L. c. 152, § 35: When injury is partial, during each week of incapacity the insurer shall pay the injured employee a weekly compensation equal to 60 percent of the difference between the average weekly wage before the injury, and the weekly wage he or she is capable of earning after the injury, but not more than 75 percent of what the employee would receive if eligible for total incapacity benefits. An insurer may reduce the amount paid to an employee to the amount at which the employee's combined weekly earnings and benefits are equal to two times the average weekly wage in the Commonwealth at the time of such reduction.

M.G.L. c. 152, § 36: Additional sums are designated for specific injuries, provided that the employee has not died from any cause within 30 days of such injury.

M.G.L. c. 152, § 36A: States that where any loss is a result of an injury involving brain damage, a lump sum payment resulting from brain damage shall not exceed an amount equal to the average weekly wage in the Commonwealth at the date of injury multiplied by 105. Payments shall not be made where death occurs within 45 days of the injury.

M.G.L. c. 152, § 50: If payments are not made within 60 days of being claimed by an employee, dependent or other party, interest at the rate of 10% per annum of all sums due from the date of the receipt of the notice of the claim by the DIA, to the date of payment, shall be required. Whenever such sums include weekly payments, interest shall be computed on each unpaid weekly payment.

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Division Bulletin 2008-12: Guidelines for coordination of benefits for PIP and health insurers.

Division Bulletin 2011-14: Describes the requirements of 211 CMR 133.00 related to determining actual cash value of damaged vehicles.

Standard VII-7: Regulated entity claim forms are appropriate for the type of product.

Workers Compensation: M.G.L. c. 152, § 7: Requires the use of specific DIA-developed forms for workers' compensation claims.

Standard VII-8: Claim files are reserved in accordance with the regulated entity's established procedures.

Standard VII-9: Denied and closed without payment claims are handled in accordance with policy provisions and state law.

General: M.G.L. c. 176D, §§ 3(9)(d), 3(9)(h) and 3(9)(n) and Division Bulletins 2011-13 and 2011-16.

Workers' Compensation: M.G.L. c. 152, § 8, 29, 34, 34A, 35, 36A.

M.G.L. c. 176D, § 3(9)(d): Refusal to pay claims without conducting a reasonable investigation based upon all available information is an unfair claim settlement practice.

M.G.L. c. 176D, § 3(9)(h): Attempting to settle a claim for an amount less than a reasonable person believed he or she was entitled to receive is an unfair claim settlement practice.

M.G.L. c. 176D, § 3(9)(n): Failure to provide a reasonable and prompt explanation of the basis for denying a claim is an unfair claim settlement practice.

M.G.L. c. 152, § 8: Allows an insurer to terminate or modify payments at any time within 180 days of commencement of disability without penalty, if such change is based on the actual income of the employee, or if it gives the employee and the DIA at least seven days written notice of its intent to stop or modify payments and to contest any claim filed. The notice shall specify the grounds and factual basis for stopping or modifying payment of benefits, and the insurer's intention to contest.

Pursuant to M.G.L. c. 152, § 29: No compensation shall be paid for any injury which does not incapacitate the employee from earning full wages for a period of five or more calendar days. If incapacity extends for a period of 21 days or more, compensation shall be paid from the date of onset of incapacity. If incapacity extends for a period of at least five but less than 21 days, compensation shall be paid from the sixth day of incapacity. Generally, no compensation shall be paid for any period for which any wages were earned.

M.G.L. c. 152, § 34: While incapacity is total, during each week of incapacity the insurer shall pay the injured employee compensation equal to 60 percent of his or her average weekly wage before the injury, but not more than the maximum weekly compensation rate, unless the average weekly wage of the employee is less than the minimum weekly compensation rate, in which case said weekly compensation shall be equal to his average weekly wage. The total number of weeks of compensation due the employee shall not exceed 156 weeks.

M.G.L. c. 152, § 34A: Injuries both permanent and total, the insurer shall pay to the injured employee, following payment of compensation provided in §§ 34 and 35, a weekly

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compensation equal to two-thirds of the average weekly wage before the injury, but not more than the maximum weekly compensation rate nor less than the minimum weekly compensation rate.

M.G.L. c. 152, § 35: When injury is partial, during each week of incapacity the insurer shall pay the injured employee a weekly compensation equal to 60 percent of the difference between the average weekly wage before the injury and the weekly wage he or she is capable of earning after the injury, but not more than 75 percent of what the employee would receive if eligible for total incapacity benefits. An insurer may reduce the amount paid to an employee to the amount at which the employee's combined weekly earnings and benefits are equal to two times the average weekly wage in the Commonwealth at the time of such reduction.

M.G.L. c. 152, § 36A: Where any loss is a result of an injury involving brain damage, a lump sum payment resulting from brain damage shall not exceed an amount equal to the average weekly wage in the Commonwealth at the date of injury, multiplied by 105. Payments shall not be made where death occurs within 45 days of the injury.

Division Bulletins 2011-13 and 2011-16: As a result of 2011 severe storms, insurers who deny related claims must provide sufficient evidence for claimants to apply for Federal disaster relief.

Standard VII-10: Canceled benefit checks and drafts reflect appropriate claim handling practices.

Standard VII-11: Claim handling practices do not compel claimants to institute litigation, in cases of clear liability and coverage, to recover amounts due under policies by offering substantially less than is due under the policy.

General: M.G.L. c. 176D, §§ 3(9)(g) and 3(9)(h); M.G.L. c. 175, § 28.

M.G.L. c. 176D, § 3(9)(g): Compelling insureds to initiate litigation to recover amounts due under an insurance policy by offering substantially less than the amounts ultimately recovered in actions brought by such insureds is an unfair claim settlement practice.

M.G.L. c. 176D, § 3(9)(h): Attempting to settle a claim for an amount less than a reasonable person believed he or she was entitled to receive is an unfair claim settlement practice.

M.G.L. c. 175, § 28: Authorizes the Commissioner to make a report to the General Court of insurers who make a practice of unduly engaging in litigation, or unfairly and unreasonably denying legally valid claims.

Standard VII- 12: Regulated entity uses the reservation of rights and excess of loss letters, when appropriate.

Standard VII-13: Deductible reimbursement to insureds upon subrogation recovery is made in a timely and accurate manner.

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Standard VII-14: Loss statistical coding is complete and accurate.

All Lines: M.G.L. c. 174A, § 15; M.G.L. c. 175A, § 15; 211 CMR 15.00

M.G.L. c. 174A, § 15; M.G.L. c. 175A, § 15; 211 CMR 15.00: Authority for the Division to, and establishment of statistical rating plans.