

MAIP Consumer Guide

The Massachusetts Automobile Insurance Plan (MAIP) is an insurance plan for drivers who cannot obtain insurance in the voluntary market. If you cannot find an insurance company willing to write you a policy, you will be assigned to an insurer through the MAIP.

Is The MAIP An Insurance Company?

No, the MAIP is the way you are assigned to one of the existing automobile insurers if you have been unable to find coverage on your own.

Every company licensed to sell private passenger automobile insurance in Massachusetts must also participate in the MAIP by acting as an Assigned Risk Company (ARC). Consumers who cannot obtain insurance in the voluntary market are assigned to an ARC by the MAIP. For the most part, these ARCs are the same companies that you will see selling insurance in the voluntary market. The only difference is each company has some drivers they insure voluntarily and other drivers that are assigned to them through the MAIP.

The MAIP is administered by Commonwealth Automobile Reinsurers (CAR) according to rules that are approved by the Division of Insurance. The coverage and service provided to you by the ARC will be comparable to coverage provided to drivers in the voluntary market. The ARC must charge the consumer the lower of the MAIP premium rate or the ARC's voluntary premium rate.

How Do I Get Assigned To An Insurer Through The MAIP?

You will try to find coverage on your own in the voluntary market – either through an agent or directly from a company. If no company is willing to write coverage for you, any insurance agent can submit an application for insurance to the MAIP. The MAIP will then assign the application to one of the Assigned Risk Companies and insurance will be provided to you by that company. If an agent submits a MAIP application for you, that agent will continue to service your policy regardless of which Assigned Risk Company receives your policy

How Will I Know If I Have Been Assigned To An Insurer Through The MAIP?

Your agent will tell you when you have been assigned to a company through the MAIP. In some cases, your agent may fill out a MAIP application before you receive official notification that you have been denied coverage in the voluntary market. You will always receive written notice any time you are denied coverage.

Will I Know Why I Have Been Assigned To An Insurer Through The MAIP?

Any time a company denies your application for automobile insurance in the voluntary market, it must inform you in writing. This letter must include the reasons for their denial. Different companies might deny your application for different reasons, so these letters might list different reasons from company to company.

Are There Drivers Who Cannot Be Assigned Through The MAIP During The Transition Period Prior To Full Operation Of The MAIP?

The period between April 1, 2008 and March 31, 2009 is a “transition period,” during which the full operation of the MAIP gradually will be phased-in. Even though the MAIP will not become fully operational until April 1, 2009, if you cannot obtain insurance on a voluntary basis, you always will be able to obtain insurance from some insurance company unless:

- Any person who usually drives your motor vehicle does not hold or is not eligible to obtain an operator’s license or fails to obtain such license as required by law;
- Any person who usually drives your motor vehicle has failed to pay an insurance company any motor vehicle insurance premiums due or contracted during the preceding twelve (12) months; or
- With respect to physical damage insurance, you have failed to make your vehicle(s) available for inspection as required by Massachusetts insurance regulations.

The placement of drivers through the MAIP began April 1, 2008, and is limited to the following types of drivers who are declined insurance on a voluntary basis:

- A newly licensed driver applying for his or her own policy;
- A driver who has not been insured in Massachusetts in the twelve (12) months preceding the application for insurance coverage; or
- A driver who has ten (10) or more merit rating points, as determined by the MAIP rate manual rules.

Starting on April 1, 2009, any driver can be referred for assignment through the MAIP.

What Happens If I Am Denied Insurance On A Voluntary Basis During The Transition Period But Am Not Eligible For Placement Through The MAIP?

If you are denied insurance on a voluntary basis during the MAIP transition period from April 1, 2008 to March 31, 2009, but are not eligible for placement with an insurance company through the MAIP, you still will be able to obtain motor vehicle insurance. You will need to go to an Exclusive Representative Producer (“ERP”), a special kind of insurance agent. The ERP will be able to obtain motor vehicle insurance for you. You can obtain a list of ERPs located closest to your home by contacting Commonwealth Automobile Reinsurers at <http://commauto.com/> or (617) 338-4000.

Is There A Special Rule About Policy Renewal For “Clean-in-Three” Drivers?

Prior to April 1, 2011, if you are a driver who is “Clean-in-Three,” you cannot be denied policy renewal by your current insurance company unless one of these circumstances applies to you:

- You choose not to renew your policy with your current insurer;
- Your insurance agent transfers his/her book of business to another insurance company;
- Your insurance company terminates its relationship with your insurance agent and your insurance agent transfers his/her book of business to another insurance company;
- Any person who usually drives your motor vehicle does not hold or is not eligible to obtain an operator’s license or fails to obtain such license as required by law;
- Any person who usually drives your motor vehicle has failed to pay an insurance company any motor vehicle insurance premiums due or contracted during the preceding twelve (12) months; or
- With respect to physical damage insurance, you have failed to make your vehicle(s) available for inspection as required by Massachusetts insurance regulations.

You are a "Clean-in-Three" driver if you meet all of the following criteria:

- You have been licensed to operate an automobile in Massachusetts for at least thirty-six (36) months prior to the effective date of your policy;
- You have been continuously insured with no more than one less-than-sixty-day period of lapsed coverage for the past thirty-six (36) months;
- You have not been found to be at fault for an accident that generated an insurance claim, including a Personal Injury Protection (PIP) claim, for thirty-six (36) months prior to the effective date of your policy; ;
- You have not been found to be at fault for a traffic violation for thirty-six (36) months prior to the effective date of your policy;
- You have not had a DUI conviction for sixty (60) months prior to the effective date of your policy. and
- You have not had a conviction for a vehicular felony for sixty (60) months prior to the effective date of your policy.

What Are The Reasons An Assigned Risk Company Can Refuse To Issue A Policy Which Has Been Assigned Through The MAIP?

An Assigned Risk Company can refuse to offer insurance to any applicant, or to renew an existing policy, if you do not have a valid driver's license or if your license is suspended or revoked. In that event, you should work with the Registry of Motor Vehicles to obtain your license or have your license reinstated.

If you have failed to pay your automobile insurance premium at any time in the last 12 months, your ARC may require you to pay your premium in full before issuing a policy.

What If I Am Assigned Through The MAIP Because Of Inaccurate Information?

Whenever you apply for automobile insurance, you should make sure that all of the information on your application is true, accurate and complete. In the event that a company denies your application because of an inaccuracy, you are always free to re-apply with the corrected information. You should be aware that correcting inaccurate information will not guarantee that a company will agree to insure you voluntarily.

Can I Choose My Insurer If I Am In The MAIP?

Assignments are made on the basis of each company's market share. You will not be able to choose your company. Certain circumstances, however, will result in an assignment being directed to a particular Assigned Risk Company. Examples of directed assignment include a household member with her own policy, or outstanding premium owed to a company.

Can I Dispute My Assignment To A Particular Company Through The MAIP?

You may only dispute an assignment to a particular company through the MAIP in one of the following circumstances:

- If you are currently or have previously been involved in a lawsuit with the company to which you are assigned
- If you have filed a Consumer Complaint with the Division of Insurance or the Attorney General's office against the company to which you are assigned before your MAIP assignment
- If you have invoked your rights under a consumer protection statute against the company to which you are assigned before your MAIP assignment. For example, you previously issued a Chapter 93A Demand Letter to the company

How Do I Dispute My Assignment To A Particular Company Through The MAIP?

If you have been assigned to a company that falls into one or more of the categories described above, you may request reassignment to a different company by completing a Request for Reassignment Form. You must complete and submit this form within 30 days of either (1) your initial assignment to the MAIP, or (2) your annual policy renewal date. You will be able to obtain copies of this form from your agent or online. You will be required to provide supporting documentation that you are entitled to be reassigned to a different company when you submit your request.

Do I Need To Change Agents If I Am Assigned Through The MAIP?

Do I Need To Change My Other Insurance Policies If I Am Assigned Through The MAIP?

No. Every agent licensed to sell automobile insurance in Massachusetts must also be an Assigned Risk Producer. This means that any agent can help you complete an application to the MAIP. If you like your current agent, no one will force you to switch. You are also free to keep your other insurance policies – such as a homeowner's insurance policy – with your present insurer.

Will My Quality Of Service Change If I Am Assigned Through The MAIP?

You should not see any change in the quality of service. The service provided to you by the Assigned Risk Company must be the same as those provided to drivers in the voluntary market.

Will I Still Receive My Group And Other Discounts?

Yes, you can qualify for group and other discounts offered by the Assigned Risk Company; however, you may have to fill out an additional application in order to determine your eligibility for those discounts.

If I Am Assigned To A Company Through The MAIP That Has Additional Coverages, Can I Purchase Them?

Companies are allowed to sell you any coverage that they offer to customers through the voluntary market, but are not required to do so. These additional coverages are subject to the company's existing underwriting rules.

How Do I Get Out Of My MAIP Assignment?

Maintaining a clean driving record is the best way to convince companies to offer you coverage. Since drivers are allowed to change insurers at any time, you are free to shop around for coverage in the voluntary market throughout the year. Whenever you find a company willing to write you voluntarily, you are free to switch.

You should remember that changing insurers in the middle of a policy period will probably result in a penalty called a "short rate value." The purpose of this penalty is to allow the company to recoup the costs of writing, administering and canceling your policy. The amount of the short rate value decreases as your policy renewal date gets closer. You should contact your agent or company to find out how much of a penalty you would have to pay before you cancel your existing policy.

Who Can I Call To Complain About The MAIP Or The Process Of Being Assigned Through The MAIP?

You should always contact your agent or company with questions about your insurance coverage or placement. You can also contact the Division of Insurance's Consumer Section by calling 1-617-521-7794.