

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Rosemary Sandlin

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act to assure reasonable correlation between insurance premiums and loss experience.

PETITION OF:

NAME: _____ | DISTRICT/ADDRESS: _____

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT TO ASSURE REASONABLE CORRELATION BETWEEN INSURANCE PREMIUMS AND LOSS EXPERIENCE.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 175E of the General Laws is hereby amended by inserting the following section 5A:
2
3 On or before August 15 of each year, the Automobile Insurers Bureau or any successor
4 organization thereto shall file statistical information in accordance with statistical plans or
5 reporting requirements approved by the Commissioner of Insurance, which statistical
6 plans or reporting requirements will be no less comprehensive than those approved by the
7 commissioner and utilized by the commissioner for the fixing and establishing of
8 classification risks and premium charges pursuant to Chapter 175, Section 113B prior to
9 2007. Statistical information shall include, but not be limited to, premiums, exposures, loss
10 pure premiums, development factors, average claim cost and frequency trend factors, claim
11 adjustment expenses factors, company and commission expense pure premiums, expense
12 trend factors and miscellaneous rate level factors such as increased limits, deductible and
13 minor coverage factors and territorial, class and model year/symbol relativities. All
14 companies offering motor vehicle insurance coverage within the Commonwealth annually
15 will submit to the Automobile Insurers Bureau or any successor organization, the data
16 necessary to allow the Automobile Insurers Bureau or any organization to compile and
17 report comprehensive statistic information showing statewide experience and trends. Said
18 statistical information shall be submitted annually to the Division of Insurance, Office of the
19 Attorney General and the Joint Committee on Financial Services or successor committee, all
20 of whom shall have the authority to require the reasonable collection and/or production of
21 additional information from the companies.
22