

By Ms. Melconian, a petition (accompanied by bill, Senate, No. 701) of Linda J. Melconian for legislation relative to computation of automobile insurance rates. Insurance.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Seven.

AN ACT RELATIVE TO COMPUTATION OF AUTOMOBILE INSURANCE RATES.

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

1 Section 113B of chapter 175 of the General Laws as appearing
2 in the 1984 Official Edition is hereby amended further by striking
3 out in the first paragraph the following sentence: —

4 “In fixing and establishing premium charges in accordance with
5 the provisions of this section, the deficit of the plan established
6 under section 113H shall not be distributed to risks based on
7 classification or territory.” and inserting in its place the following
8 sentence: — “In fixing and establishing premium charges in
9 accordance with the provisions of this section, the commissioner
10 shall distribute all components of the ratemaking process,
11 including the deficit of the plan established under section 113H,
12 among the rating territories in strict proportion to the claim
13 frequency and volume and underwriting loss ratio of the
14 individual rating territory.”

15 Any general or special law notwithstanding, the commissioner
16 of insurance, when fixing and establishing premium charges to
17 be used and charged by companies in connection with the issue
18 or execution of motor vehicle liability policies or bonds, both as
19 defined in section 34A of chapter 90, shall establish that each city
20 or town is included in its proper rating territory based on loss ratio
21 alone within that territory and no other factor. There shall be a
22 maximum of five territories.

