

By Mr. Decas of Wareham, petition of Charles N. Decas relative to group marketing plans for motor vehicle insurance. Insurance.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Two.

AN ACT AUTHORIZING CERTAIN TYPES OF GROUP POLICIES FOR MOTOR VEHICLE INSURANCE.

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 193R of Chapter 175 of the General Laws is hereby
- 2 amended by inserting at the end of that section the following: —
- 3 Notwithstanding any of the requirements of this section or any
- 4 other law to the contrary a group marketing plan meeting the
- 5 following criteria shall be approved by the Commissioner.
- 6 (1) The plan is offered by a properly licensed non-profit or
- 7 mutual insurance company that is organized solely or principally
- 8 to offer insurance coverage to members of a specific association,
- 9 trade union or organization.
- 10 (2) The group is limited to no more than a total of five thousand
- 11 members covered by policies of private passenger or commercial
- 12 motor vehicle insurance.
- 13 (3) That each policy issued to a member of the group shall be
- 14 subject to a discount or dividend equivalent to at least five percent
- 15 below the premium charges established by the Commissioner
- 16 pursuant to Section one hundred and thirteen B for a comparable
- 17 policy.
- 18 (4) That each member of such group will not be eligible to obtain
- 19 such insurance unless they agree to the following provisions in
- 20 their policy.
- 21 (i) That any covered vehicle contain at least one of the anti-
- 22 theft devices identified by the Commissioner as qualifying for a

23 reduction in insurance premiums as authorized by Section one
24 hundred and thirteen B.

25 (ii) That each driver listed on the policy has taken, or will take
26 within one year of coverage, a driver safety course approved by
27 the insurer.

28 (iii) That any repairs to a vehicle listed in the policy be
29 performed at one of a list of designated repair shops identified
30 by the insurer and which meets the requirements of the
31 Commissioner's regulations promulgated pursuant to Section one
32 hundred and thirteen T.

33 (5) That none of the policies issued to members of the group
34 shall be ceded to the plan established under the provisions of
35 Section one hundred and thirteen H. Provided further that if all
36 private passenger and commercial motor vehicle policies issued
37 by the insurer are issued through the group marketing plan and
38 are not ceded or assigned to the plan created by Section one
39 hundred thirteen H then the insurer shall not be required to be
40 a member of that plan or be responsible for any of the losses and
41 expenses of that plan.