

**MASSACHUSETTS PLAN FOR DIRECT PAYMENT OF MOTOR VEHICLE
COLLISION AND COMPREHENSIVE COVERAGE CLAIMS AND
REFERRAL REPAIR SHOP PROGRAMS**

IDS Property Casualty Insurance Company (IDS) presents a formal direct payment plan proposal (hereinafter "Plan") in compliance with Massachusetts General Laws and Code of Massachusetts Regulations.

1. Definitions

Claimant means any person making a claim for motor vehicle damage or loss for first party damages.

Collision coverage means that optional coverage defined in M.G.L. c. 90, §340(1) offered as part of a motor vehicle liability policy or bond.

Comprehensive coverage means that optional coverage defined in M.G.L. c. 175, § 1130 as fire and theft coverage or comprehensive, so-called, coverage offered as part of a motor vehicle liability policy or bond.

Limited collision coverage means that optional coverage defined in M.G.L. c. 90, §340(2) offered as part of a motor vehicle policy or bond.

Motor vehicle insurance means motor vehicle liability policies or bonds as defined in M.G.L. c. 90, §§34A, 340, and in M.G.L. c. 175.

Referral shop means a repair shop:

- a. which has entered into an agreement; satisfactory to IDS, to complete repairs for claimants referred by IDS without undue delay, for the amount of the direct payment to the claimant plus any applicable deductible, plus any supplemental payment authorized by IDS, or
- b. with which IDS makes arrangement directly for the repair of the claimant's motor vehicle.

Repair shop means a motor vehicle repair shop as defined in M.G.L. c. 100A, §1, but not including glass specialty shops and shops that primarily sell tires or audio equipment.

We, us or our when used in this Plan document means the IDS Group of Insurance Companies.

2. Direct Payment Plan Provisions

- a. Payment to the Claimant. IDS shall offer to pay every claimant for the loss of or damage to the insured motor vehicle under collision coverage, limited collision coverage or comprehensive coverage the full amount, less any applicable deductible, the cost of repair of the damage as described in an appraisal made by a licensed automobile damage appraiser employed or designated by us, subject to the terms and conditions of the applicable insurance policy. In the case of property damage liability claims, we may make such offer to the person to whom such liability payments are owed.

Unless direct payment is refused by the claimant, IDS shall make such payment at the time of, or within five (5) business days after, the preparation of said appraisal, unless the claimant permits a longer period in order to allow us sufficient time to make arrangements directly with a repair shop for the repair of the claimant's car. In no event shall payment be made prior to provision of a copy of the appraisal to the claimant, unless the claimant directs us to make arrangements directly with a repair shop for the repair of the claimant's car, in which case we may, with the claimant's consent, provide such copy subsequent to payment. Nothing in this section shall be construed to affect the right of IDS to delay payment for a period of time reasonably necessary to investigate any claim before authorizing repair work or making payment on such claim.

If the claimant refuses such direct payment, we shall comply with applicable law and regulations relating to such payments without regard to the Plan.

- b. Form of Payment. The payments described above shall be in cash or a negotiable instrument payable to the claimant, and the lien holder, if applicable, unless the claimant elects to have us make such payment

directly to a repair shop on the claimant's behalf in cases where the claimant directs us to make arrangements directly with a repair shop for the repair of the claimant's car. When a claimant elects this option, we shall provide the claimant with a list of repair shops willing and able to enter into such arrangements.

- c. Repair Certification. Each claimant shall receive, with the appraisal and direct payment check, or prior to their delivery, a repair certification form. A copy of the form is included in the Plan as Attachment 1.

The claimant shall return the repair certification form to IDS upon completion of the repairs. If the claimant elects not to repair the vehicle or if the repair certification form is not returned to us, the actual cash value of the insured vehicle will be reduced by the amount of the claim payment plus any applicable deductible, unless and until such time as we receive a repair certification form.

- d. Resolution of Consumer Disputes. If the claimant disputes the accuracy of the appraisal or the amount of the payment based thereon, IDS shall resolve such dispute as follows:

1. The claimant, or the claimant's representative, or repair shop at the direction of the claimant, must notify IDS by telephone or in writing if the cost of repairs is expected to exceed the amount of the payment plus any applicable deductible and the claimant is seeking to have us pay any part of the difference. Such notice must be prior to, or in the course of, the repair work.
2. We shall promptly evaluate the source of any differences between our appraisal and the cost of repairs and either authorize or deny a supplemental payment within three (3) business days after the notification of such difference and inspection of the vehicle. During such three-day period, IDS may inspect the vehicle, and if we so request, the claimant or repair shop shall make the vehicle available for inspection by us. We shall not delay such inspection for more than three (3) business days without the consent of the claimant. If we make a timely request for inspection, we shall either authorize or deny a supplemental payment within three (3) business days after the inspection. The claimant may direct IDS to make any supplemental payment to the repair shop, provided the repair shop is registered under M.G.L. c. 100A. Otherwise any supplemental payment must be made directly to the claimant.
3. If the claimant and IDS are unable to reach agreement as to any dispute as to the amount of the payment by IDS, either party may demand arbitration of the dispute. The demand for arbitration must be in writing and it must include an appraisal of the cost of the repair prepared by a licensed automobile damage appraiser and an itemized bill for the actual cost of the repair, if the repair has been completed. The arbitration will be conducted pursuant to General Provision Section 11 of the Massachusetts Standard Automobile Insurance Policy and the applicable provisions of M.G.L. c. 175, § 191A. Notwithstanding this provision, the claimant may, without prejudice, pursue any other remedy that may be available.
4. If the repair is made at a registered repair shop which is a IDS referral shop on our list prepared pursuant to 211 CMR 123.06, neither the repair shop nor IDS shall require the claimant to pay more than the amount of the direct payment, subject to the terms and conditions of the applicable insurance policy, plus the amount of any applicable deductible to have the repair work completed, and any dispute as to the amount of the appraised damage shall be resolved between the referral repair shop and IDS.

- e. Repair Shop Referral Program

1. Consumer's Choice of Shop. IDS shall not require a claimant to have repairs made at any specific repair shop or list of shops.
2. Number of Shops. Every claimant will be offered from one to five repair shops geographically convenient for the claimant, in those areas where referral shops have been identified, that will perform the repairs on referred claims without undue delay. The claimant may or may not choose to use a shop on the referral list.
3. IDS's Referral List. Our referral list will include all shops:
 - a) which are registered repair shops;

- b) which have entered into an agreement satisfactory to IDS, to complete repairs for claimants referred by us without undue delay, for the amount of the direct payment to the insured plus any applicable deductible, plus any supplemental payment authorized by IDS. These shops will be highlighted to indicate inclusion in IDS's referral program.

In determining which registered repair shops will be included in IDS's referral program, we shall consider all of the following criteria, and, only the following criteria:

- the quality and cost repairs at a particular shop;
- the quality of the service given the customer;
- the responsiveness of the shop to the customer's needs;
- the ability of the shop to perform repairs without undue delay;
- the geographic convenience of the shop for the claimant;
- the cooperation of the shop with the pre- and post-repair inspections;
- and
- the shop's compliance with applicable laws and regulations.

IDS will maintain written guidelines incorporating these criteria as applied by IDS in implementing its Plan. These guidelines shall be made available to the Commissioner of Insurance upon his or her request and shall also be made available on request to any repair shop in the event IDS denies that shop placement on or deletes that shop from its list.

A repair shop shall be included as highlighted on the list prepared by IDS if the shop agrees in writing to comply fully with the Plan, unless the shop is denied placement on or is deleted from the list pursuant to 211 CMR 123.06(4), and is determined by IDS not to satisfy one or more of the criteria listed above. The form of agreement between IDS and the shops on the referral list may provide adequate assurances that the repair shop will continue to satisfy us as to such criteria.

4. **Development and Changes of Referral List.** We may delete a repair shop from our referral list, or deny placement thereon, provided we file a statement with the Commissioner of Insurance specifying the nature of the shop's failure to comply with the Plan or with the agreement or proposed agreement between IDS and the repair shop. A repair shop that claims that it has been improperly deleted from or denied placement on the list may demand arbitration. Such binding arbitration shall be conducted by a neutral arbitrator jointly agreed to by IDS and the repair shop, or, in the absence of such agreement, within twenty-one (21) days of submission of the request for arbitration to IDS, by an arbitrator selected by the Commissioner of Insurance. The parties to the arbitration shall bear the costs of the arbitration equally, but the losing party shall be liable to the prevailing party for its costs, unless the arbitrator orders otherwise. If the arbitrator finds that the losing party acted in bad faith, he or she may also award the prevailing party attorneys' fees, if any. The arbitrator shall determine whether the repair shop was improperly deleted from the list, but shall make no finding or order as to any damages other than the award of costs and/or attorney's fees, if any. The decision of the arbitrator shall be final.
5. **IDS's Guarantee.** If a claimant has repairs performed at a repair shop included on our referral list, IDS shall guarantee the quality of the materials and workmanship used in making the repairs. Our monetary obligations under the guarantee are limited to the cost of repairing the damaged vehicle less any applicable deductible. The guarantee covers only the cost of re-doing the repair job, in whole or in part, if necessary. It is valid from the date of the repair for as long as the claimant owns the vehicle. Our guarantee is in addition to all guarantees which may be made by the manufacturer and the repair shop. The agreement between IDS and the repair shop may provide for indemnification of us by the repair shop for any costs associated with such guarantee under the terms and conditions as the parties to the agreement shall specify.
- f. Disclosures to Consumers.

Every claimant under the Plan shall be given full and accurate disclosure, with or prior to the appraisal and at such other times as we may determine:

1. that the claimant may elect to accept direct payment under the Plan and receive a list of referral shops, or he or she may choose to pursue the claim without regard to the Plan;

2. that if the claimant accepts direct payment, he or she may choose to have repairs made at any repair shop, whether or not the repair shop appears on our referral list;
 3. that if the claimant accepts direct payment, the claimant may choose a shop on our referral list, in which case we shall guarantee the materials and the workmanship of the repair in accordance with the terms of Section 2.e.5. above (IDS's Guarantee), and the cost of the repair to the claimant will not exceed the amount of our direct payment to the claimant plus any applicable deductible;
 4. the procedure for resolving claimants' disputes under the Plan; and
 5. such other information as will aid the claimant in exercising his or her rights under the Plan.
- g. Reinspection Requirements. Upon receipt of the completed Repair Certification Form, we shall have a licensed automobile damage appraiser reinspect vehicles as follows:
1. with respect to repairs as to which the appraisal indicates that the cost is expected to exceed \$4,000, at least 75% of such vehicles shall be reinspected;
 2. with respect to repairs as to which the appraisal indicates that the cost is not expected to exceed \$4,000, at least 25% of such vehicles shall be reinspected.

In no event shall the selection of vehicles for reinspection be based on the age or sex of the policyholder or of the customary operators of the vehicle) or on the principal place of garaging of the vehicle, or on whether repairs were performed at a repair shop not included on our list.

IDS reserves the right to reinspect additional vehicles, at its discretion, in addition to those that it reinspects pursuant to the foregoing provision.

h. Conflicts of Interest.

1. No employee or agent of IDS with responsibility for creating, managing, or maintaining a list of repair shops as prescribed in 211 CMR 123.06(3) shall receive or ask for any payment, gift or any other thing of value from any repair shop included, or seeking to be included, or our list of repair shops. No repair shop, or employee, owner or agent thereof, shall give or pay, or offer to give or pay, anything of value to any person in exchange for being included, or as an inducement for being included, on an insurer's list of repair shops. For purposes of this paragraph, the words "employee", "owner" and "agent" shall also include any spouse or child of an employee, owner or agent.
2. A discount on parts, glass, labor rate or other item or customer service in connection with the repair of motor vehicles offered by a repair shop to an insurer shall not constitute a "payment, gift or any other thing of value" for purposes of the foregoing paragraph.

3. Amendments to 211 CMR 123

In the event that 211 CMR 123 is amended, this Plan shall be deemed to be modified concurrent with the effective date of such amendment so as to conform to that regulation.

4. Effective Date

This Plan shall be effective on February 1, 2010, subject to the approval of the Commissioner of Insurance, and the benefits of this Plan shall be made available to all claimants submitting claims arising from accidents or other losses occurring on or after the date, unless and until the approval of this Plan is revoked or the Plan is otherwise eliminated in accordance with 211 CMR 123.04(10).

Claim Number:

Date of Loss:

Insured:

Massachusetts Repair Certification Form

Explanation of your rights and responsibilities for repairing your damaged vehicle:

1. It is your right to compare repair shops and obtain service at the provider of your choice for the amount of our appraisal.
2. It is your right to be given a list of geographically convenient repair shops which will provide quality repairs for the amount of payment made directly to you plus any applicable deductible plus any increase in value due to the repairs. We guarantee the quality of the materials and workmanship used in making the repairs at any shop on our referral list.
3. You must notify us – by phone or in writing – prior to or in the course of repairs, if the cost of repairs is expected to exceed our appraisal (including any applicable deductible) and you want us to pay any part of that excess cost. We have the right to inspect the vehicle within three business days of your notification, and we have the duty to authorize or deny any supplemental payments within three business days after inspection.
4. It is your right to pursue resolution of any differences in repair costs by contacting us and following the procedure established in “General Provision, Section 11” of the policy.
5. It is your responsibility to complete and to return this Repair Certification Form when the vehicle is repaired. If the completed form is not returned to us, the actual cash value of the insured vehicle will be reduced by the amount of the claim payment, including any applicable deductible.
6. It is your responsibility to allow us, upon request, to re-inspect the repaired vehicle after we receive the completed Repair Certification Form. If the repaired vehicle is not made available for re-inspection within a reasonable amount of time, the actual cash value of the insured vehicle will be reduced by the amount of the claim payment, including any applicable deductible.

CERTIFICATION OF REPAIRS

I certify that my damaged vehicle has been repaired by:

Repair Shop Name: _____

Address: _____

Telephone: _____

I have chosen not to repair my vehicle at this time.

Signature of Policyholder

Date

CSP Name	Address1	City	State	County
Country Collision Center	20 Myricks Street	Berkley	MA	Bristol
Danvers Ford (F)	106 Sylvan Street	Danvers	MA	Essex
Regan Ford, Inc (F)	501 Broadway	Haverhill	MA	Essex
Don Roy's Auto Body, Inc	1416 Granby Road	Chicopee	MA	Hampden
Bonnell Motors (F)	353 Cambridge Street	Winchester	MA	Middlesex
Pierce Collision, Inc	135 West Central Street	Natick	MA	Middlesex
Baystate Ford (F)	1776 Washington Street	Stoughton	MA	Norfolk
Muzi Motors (F)	557 Highland Ave	Needham Heights	MA	Norfolk
Rodman Ford Lincoln/Mercury (F)	75 Washington Street	Foxboro	MA	Norfolk
Champion Lincoln/Mercury (F)	1724 S Main Street	Brockton	MA	Plymouth
Maaco Collision & Auto Painting	84 Westgate Drive	Brockton	MA	Plymouth
Paul Staffiers Collision Center	305 R Temple Street	Whitman	MA	Plymouth
Boston Village Auto Body & Repairs, Inc	1 Emery Road	Allston	MA	Suffolk
Best Auto Body	753 Grafton Street	Shrewsbury	MA	Worcester
Kilcoyne AutoBody	829 West Boylston Street	Worcester	MA	Worcester

CSP Name	City	State	County
CapeCod Collision	Hyannis	MA	Barnstable
Ford of Hyannis (F)	Hyannis	MA	Barnstable
Flynns VW Audi BMW Mazda	Pittsfield	MA	Berkshire
Quality Auto Body, Inc	Pittsfield	MA	Berkshire
Country Collision Center	Berkley	MA	Bristol
Danvers Ford (F)	Danvers	MA	Essex
H.J.Nassar Motor Co Inc (F)	Lawrence	MA	Essex
Regan Ford, Inc (F)	Haverhill	MA	Essex
Two Father's dba Ford of Greenfield	Greenfield	MA	Franklin
Don Roy's Auto Body, Inc	Chicopee	MA	Hampden
Pleasant Street Auto Body & Repair, Inc	Granby	MA	Hampshire
Bonnell Motors (F)	Winchester	MA	Middlesex
Pierce Collision, Inc	Natick	MA	Middlesex
Sentry Lincoln/Mercury Sales (F)	Medford	MA	Middlesex
Nantucket Auto Body, Inc	Nantucket	MA	Nantucket
Baystate Ford (F)	Stoughton	MA	Norfolk
DBA Auto Body	East Walpole	MA	Norfolk
Herb Chambers Ford (F)	Braintree	MA	Norfolk
Leland & Visnick Collision Center Inc	Canton	MA	Norfolk
Marty's Auto Service, Inc	Bellingham	MA	Norfolk
Muzi Motors (F)	Needham Heights	MA	Norfolk
Quirk Ford, Inc (F)	Quincy	MA	Norfolk
Rodman Ford Lincoln/Mercury (F)	Foxboro	MA	Norfolk
Champion Lincoln/Mercury (F)	Brockton	MA	Plymouth
Colonial Ford (F)	Plymouth	MA	Plymouth
Hanover Auto Works	Hanover	MA	Plymouth
Maaco Collision & Auto Painting	Brockton	MA	Plymouth
Paul Staffiers Collision Center	Whitman	MA	Plymouth
Boston Village Auto Body & Repairs, Inc	Allston	MA	Suffolk
Sentry South Lincoln/Mercury (F)	Dorchester	MA	Suffolk
Best Auto Body	Shrewsbury	MA	Worcester
Kilcoyne AutoBody	Worcester	MA	Worcester