

<<HD\_LOGO\_LETTER>>

«HD\_Company\_Name»  
«HD\_Address\_Line1»  
«HD\_Address\_Line2»  
«HD\_City\_State\_Zip»

«HD\_Tel\_Num»  
«HD\_Fax\_Num»  
«HD\_Email\_Address»  
«HD\_Website\_Address»

## REPAIR CERTIFICATION FORM

(To be returned to Chubb upon completion of repairs)

Date: «Todays Date Short»  
Insured: «Insured Full Name»  
Policy Number: «Policy Number»  
Date of Loss: «Claim Loss Date»  
Claim Number: «Claim Reference Number»

**Return To:**  
«Policy Writing Company»  
«Address\_Line1»  
«Address\_Line2»  
«City\_State\_Zip»

### EXPLANATION OF YOUR RIGHTS AND OBLIGATIONS FOR REPAIRING YOUR DAMAGED VEHICLE

1. A list of repair shops has been provided to you. This list contains collision repair facilities registered in the Commonwealth of Massachusetts in your general area. You have the right to choose any registered repair facility to complete the repairs to your damaged vehicle for the amount of our appraisal.
2. If you dispute the accuracy of the appraisal or the amount of the payment based thereon, we shall resolve the dispute as follows:
  - a. You or your representative or repair shop at your direction must notify us, by telephone or in writing, prior to, or in the course of the repair work, if the cost of repairs is expected to exceed the amount of our payment to you, plus any applicable deductible, and you wish us to pay any part of the difference. We reserve the right to inspect the vehicle within three (3) business days of notification. You or the repair shop shall make the vehicle available for inspection by us. We will either authorize or deny a supplemental payment within three (3) business days after inspection. You may direct us 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 you.
  - b. We will make every effort to reach an agreement with you or your representative or your shop on the reasonable cost to repair your damaged vehicle. If we are unable to agree on repair costs, 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 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 your Massachusetts Standard Automobile policy and the applicable provisions of M.G.L. c. 175, § 191A.
  - c. If the repair is made at a registered repair shop which is a Chubb referral shop, neither the repair shop nor we will require you to pay more than the amount of the direct payment 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 us.
3. Massachusetts law requires you to complete and to return this Repair Certification Form to us upon completion of the repairs to your damaged vehicle. If you elect not to repair the vehicle or if the Repair Certification Form is not returned to us, the actual cash value of your vehicle will be reduced by the amount of the claim plus any applicable deductible, unless and until such time as we receive a Repair Certification Form.
4. You agree to permit us to reinspect the repaired vehicle within a reasonable period of time after the return of the Repair Certification Form. If the repaired vehicle is not made available for reinspection 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 REPAIR

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 INSURED**

\_\_\_\_\_  
**DATE**

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

This plan is being adopted by Bankers Standard Insurance Company (hereinafter "Chubb"):

Chubb presents a formal direct payment plan proposal (hereinafter "Plan") in compliance with Massachusetts General Laws and Code of Massachusetts Regulations.

**1. Definitions**

As used in this Plan, the following words will have the meanings indicated:

**Claimant** means any person making a claim for motor vehicle damage or loss for first party damages, except for glass claims.

**Collision coverage** means that optional coverage defined in M.G.L. c. 90, § 34O(1) offered as part of a motor vehicle liability policy or bond, except for glass claims.

**Commissioner** means the Commissioner of Insurance appointed under the provisions of M.G.L. c. 26, § 6, or his or her designee.

**Comprehensive coverage** means that optional coverage defined in M.G.L. c. 175, § 113O as fire and theft coverage or comprehensive coverage, so-called, offered as part of a motor vehicle liability policy or bond, except for glass claims.

**Limited collision coverage** means that optional coverage defined in M.G.L. c. 90, § 34O(2) offered as part of a motor vehicle policy or bond, except for glass claims.

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

**Referral Shop** means a motor vehicle shop which has entered into an agreement satisfactory to Chubb, to complete repairs when such shop is selected by a Chubb claimant without undue delay, for the amount of the direct payment to the claimant plus any applicable deductible, plus any supplemental payment authorized by Chubb.

**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 which primarily sell tires or audio equipment.

**2. Payment to the Claimant**

Chubb shall offer to pay every claimant making claim 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, of the cost of repair of the damage as described in an appraisal made by a licensed automobile damage appraiser employed or designated by Chubb, subject to the terms and conditions of the applicable insurance policy. In the case of property damage liability claims, Chubb may make such offer to the person to whom such liability payments are owed.

Unless such direct payment is refused by the claimant, Chubb 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 vehicle. In no event shall payment be made prior to a provision of a copy of the appraisal to the claimant. Nothing in this section shall be construed to affect the right of

Chubb 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, Chubb shall comply with applicable laws and regulations relating to such payments without regard to the Plan.

### **3. 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.

### **4. Repair Certification**

Each claimant shall receive, with the appraisal and direct payment check, a repair certification form. A copy of the form is included in the Plan as Exhibit A.

The claimant shall return the repair certification form to Chubb 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 Chubb receive a repair certification form.

### **5. Resolution of Consumer Disputes**

If the claimant disputes the accuracy of the appraisal or the amount of the payment based thereon, Chubb shall resolve such dispute as follows:

- a. The claimant, or the claimant's representative or repair shop at the direction of the claimant, must notify us 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.
- b. Chubb 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 the inspection of the vehicle. During such three-day period, Chubb may inspect the vehicle, and if we so request, the claimant or repair shop shall make the vehicle available for inspection by us. Chubb shall not delay such inspection for more than three (3) days without the consent of the claimant. If we make a timely request for inspection, we will either authorize or deny a supplemental payment within three (3) business days after the inspection. The claimant may direct us 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.
- c. If the claimant and Chubb are unable to reach agreement as to any dispute as to the amount of the payment by us, 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 which may be available.
- d. If the repair is made at a registered repair shop which is a Chubb referral shop as provided in 211 CMR 123.06, neither the repair shop nor Chubb shall require the claimant to pay more than the amount of the direct payment 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 us.

## 6. Repair Shop Referral

- a. Consumer's Choice of Shop: Chubb shall not require a claimant to have repairs made at any specific repair shop.
- b. Number of Shops:
  - i. Chubb shall provide every claimant with a single list and/or a web address for a single list containing the names and locations of all registered repair shops as defined in 211 CMR 123.03 that appear on the list of registered repair shops maintained by the Division of Standards pursuant to M.G.L. c. 100A, § 6. We will indicate Chubb referral shops by clearly marking with an asterisk or other means of highlighting on the list of all registered repair shops at least five (5) repair shops geographically convenient for the claimant which will perform the repairs on the referred claims without undue delay. Fewer than five (5) repair shops shall be marked in the event Chubb does not maintain referral repair shop(s) geographically convenient for the claimant. Claimants have the right to receive a paper copy of the list, if they prefer.
  - ii. Chubb shall reproduce the listing of all registered repair shops maintained by the Automobile Insurers Bureau of Massachusetts or any successor thereto. The list given to claimants by Chubb pursuant to 211 CMR 123.06(2)(a) shall not exceed 12 standard size (8 ½ by 11 inches).
- c. Chubb's Choice of Shops:
  - i. Chubb's referral shops shall include only shops:
    - 1) Which are registered repair shops; and
    - 2) Which have entered into an agreement satisfactory to Chubb, 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 Chubb
  - ii. In determining which registered repair shops will be referral shops, Chubb shall consider all of the following criteria, and only the following criteria:
    - 1) The quality and cost of repairs at a particular shop;
    - 2) The quality of the service given the customer;
    - 3) The responsiveness of the shop to the customer's needs;
    - 4) The ability of the shop to perform repairs without undue delay;
    - 5) The geographic convenience of the shop for the claimant;
    - 6) Cooperation of the shop with the pre- and post-repair inspections; and
    - 7) The shop's compliance with applicable laws and regulations.

- iii. Chubb shall maintain written guidelines incorporating these criteria as applied by Chubb in implementing its Plan. These guidelines shall be deemed to be a part of Chubb's Plan. Chubb's guidelines shall be made available to the Commissioner upon his or her request and shall also be made available to any repair shop in the event the insurer denies that shop's request to be a referral shop or revokes the referral shop agreement of any referral shop.
- iv. A repair shop shall be included as a Chubb referral shop if the shop agrees in writing to comply fully with the Plan, unless the shop's request is denied or the shop's referral shop agreement is revoked pursuant to 211 CMR 123.06(4), and is determined by Chubb not to satisfy one or more of the criteria listed above. The form of agreement between Chubb and Chubb's referral shops may provide adequate assurances that the repair shop will continue to satisfy us as to such criteria.

## **7. Development and Changes of Referral Shops**

Chubb may deny a repair shop's requests to be a referral shop or revoke a referral shop's agreement, provided we file a statement with the Commissioner specifying the nature of the shop's failure to comply with the Plan or with the agreement or proposed agreement between Chubb and the repair shop. A repair shop which claims that it has been improperly denied as a referral shop or whose referral shop agreement has been revoked may demand arbitration. Such binding arbitration shall be conducted by a neutral arbitrator jointly agreed to by Chubb and the repair shop, or, in the absence of such agreement, within 21 days of submission of the request for arbitration to Chubb, by an arbitrator selected by the Commissioner. 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 attorney's fees, if any. The arbitrator shall determine whether the repair shop was improperly denied, 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.

## **8. Our Guarantee**

If a claimant has repairs performed at a repair shop included on our referral list, Chubb shall guarantee the quality of the materials and workmanship used in making the repairs. Chubb shall not petition the Commissioner for a waiver of this requirement. This guarantee by us shall be in addition to all other guarantees which may be made by the manufacturer and the repair shop. The agreement between Chubb and the repair shop may provide for indemnification of Chubb by the repair shop for any costs associated with such guarantee under such terms and conditions as the parties to the agreement shall specify.

## **9. Reinspection Requirements**

Chubb shall have a licensed automobile damage appraiser reinspect vehicles following completion of repairs as follows:

- i. 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;
- ii. 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 the repairs were performed at a repair shop that is not a referral repair shop.

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

## **10. Conflicts of Interest**

- i. No employee or agent of Chubb with responsibility for entering into referral shop agreements 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 seeking to be a referral shop or from any referral shop. No repair shop, or employee or owner thereof, shall give, pay or offer to give or pay, anything of value to any employee or agent of an insurer with responsibility for creating, managing or maintaining a 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, as Chubb's referral shop. For purposes of 211 CMR 123.08(7)(a), the words "employee", "owner" and "agent" shall also include any spouse or child of an employee, owner or agent.
- ii. 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 Chubb shall not constitute a "payment, gift or any other thing of value" for purposes of 211 CMR 123.06(7)(a).

## **11. Disclosures to Consumers**

Chubb shall provide every claimant under the Plan full and adequate disclosure on a form approved by the Commissioner. The disclosure form shall be given to the claimant prior to, or at the same time as, any payment made. The disclosure form shall be given with the appraisal and at such other times as Chubb may determine, and shall state, with the appraisal and at such other times as we may determine, and shall state that:

- i. The claimant may elect to accept direct payment under the plan and receive a list of all registered repair shops pursuant to 211 CMR 123.06(2), or he or she may choose to pursue the claim without regard to the plan;
- ii. If the claimant accepts direct payment, he or she may choose to have repairs made at any repair shop, whether or not the shop is a Chubb referral shop;
- iii. If the claimant accepts direct payment, the claimant may choose a shop that is a Chubb referral shop in which case we will guarantee the materials and workmanship of the repair in accordance with the terms of Section 8 above, captioned "Our Guarantee", and the cost of the repair to the claimant will not exceed the amount of Chubb's direct payment to the claimant plus any applicable deductible;
- iv. The procedure for resolving claimants' disputes under the Plan; and
- v. Such other information as will aid the claimant in exercising his or her rights under the Plan.

## **12. Amendment**

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.

## **13. Effective Date**

This Plan shall be effective on April 1, 2018, 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 effective date of the Plan, unless and until the approval of this Plan is revoked or the Plan is otherwise terminated in accordance with 211

CMR 123.04(9), or unless and until Chubb voluntarily withdraws the Plan in accordance with 211 CMR 123.04(10).

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

This plan is being adopted by the following insurers (collectively, "Chubb"):

| [Bankers Standard Insurance Company](#)

Chubb presents a formal direct payment plan proposal (hereinafter "Plan") in compliance with Massachusetts General Laws and Code of Massachusetts Regulations.

**1. Definitions**

As used in this Plan, the following words will have the meanings indicated:

**Claimant** means any person making a claim for motor vehicle damage or loss for first party damages, except for glass claims.

**Collision coverage** means that optional coverage defined in M.G.L. c. 90, § 34O(1) offered as part of a motor vehicle liability policy or bond, except for glass claims.

**Commissioner** means the Commissioner of Insurance appointed under the provisions of M.G.L. c. 26, § 6, or his or her designee.

**Comprehensive coverage** means that optional coverage defined in M.G.L. c. 175, § 113O as fire and theft coverage or comprehensive coverage, so-called, offered as part of a motor vehicle liability policy or bond, except for glass claims.

**Limited collision coverage** means that optional coverage defined in M.G.L. c. 90, § 34O(2) offered as part of a motor vehicle policy or bond, except for glass claims.

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

**Referral Shop** means a motor vehicle shop which has entered into an agreement satisfactory to Chubb, to complete repairs when such shop is selected by a Chubb claimant without undue delay, for the amount of the direct payment to the claimant plus any applicable deductible, plus any supplemental payment authorized by Chubb.

**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 which primarily sell tires or audio equipment.

**2. Payment to the Claimant**

Chubb shall offer to pay every claimant making claim 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, of the cost of repair of the damage as described in an appraisal made by a licensed automobile damage appraiser employed or designated by Chubb, subject to the terms and conditions of the applicable insurance policy. In the case of property damage liability claims, Chubb may make such offer to the person to whom such liability payments are owed.

Unless such direct payment is refused by the claimant, Chubb 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 vehicle. In no event shall payment be made prior to a provision of a copy of the appraisal to the claimant. Nothing in this section shall be construed to affect the right of

Chubb 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, Chubb shall comply with applicable laws and regulations relating to such payments without regard to the Plan.

### **3. Form of Payment**

The payments described above shall be 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.

### **4. Repair Certification**

Each claimant shall receive, with the appraisal and direct payment check, a repair certification form. A copy of the form is included in the Plan as Exhibit A.

The claimant shall return the repair certification form to Chubb 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 Chubb receive a repair certification form.

### **5. Resolution of Consumer Disputes**

If the claimant disputes the accuracy of the appraisal or the amount of the payment based thereon, Chubb shall resolve such dispute as follows:

- a. The claimant, or the claimant's representative or repair shop at the direction of the claimant, must notify us 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.
- b. Chubb 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 the inspection of the vehicle. During such three-day period, Chubb may inspect the vehicle, and if we so request, the claimant or repair shop shall make the vehicle available for inspection by us. Chubb shall not delay such inspection for more than three (3) days without the consent of the claimant. If we make a timely request for inspection, we will either authorize or deny a supplemental payment within three (3) business days after the inspection. The claimant may direct us 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.
- c. If the claimant and Chubb are unable to reach agreement as to any dispute as to the amount of the payment by us, 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 which may be available.
- d. If the repair is made at a registered repair shop which is a Chubb referral shop as provided in 211 CMR 123.06, neither the repair shop nor Chubb shall require the claimant to pay more than the amount of the direct payment 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 us.

## 6. Repair Shop Referral

- a. Consumer's Choice of Shop: Chubb shall not require a claimant to have repairs made at any specific repair shop.
- b. Number of Shops:
  - i. Chubb shall provide every claimant with a single list and/or a web address for a single list containing the names and locations of all registered repair shops, within a reasonable geographic area, as defined in 211 CMR 123.03 that appear on the list of registered repair shops maintained by the Division of standards pursuant to M.G.L. c. 100A, § 6. We will indicate Chubb referral shops by asterisk, underlining, boldface type and/or another similar way.
  - ii. Chubb shall reproduce the listing of all registered repair shops maintained by the Automobile Insurers Bureau of Massachusetts or any successor thereto. The list given to claimants by Chubb pursuant to 211 CMR 123.06(2)(a) shall not exceed 12 standard size (8 ½ by 11 inches).
  - iii. Chubb shall provide up to five (5) repair referral shops geographically convenient to the claimant, in those areas where referral shops have been identified, which will perform the repairs on referred claims.
- c. Chubb's Choice of Shops:
  - i. Chubb's referral shops shall include only shops:
    - 1) Which are registered repair shops; and
    - 2) Which have entered into an agreement satisfactory to Chubb, 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 Chubb
  - ii. In determining which registered repair shops will be referral shops, Chubb shall consider all of the following criteria, and only the following criteria:
    - 1) The quality and cost of repairs at a particular shop;
    - 2) The quality of the service given the customer;
    - 3) The responsiveness of the shop to the customer's needs;
    - 4) The ability of the shop to perform repairs without undue delay;
    - 5) The geographic convenience of the shop for the claimant;
    - 6) Cooperation of the shop with the pre- and post-repair inspections; and
    - 7) The shop's compliance with applicable laws and regulations.

- iii. Chubb shall maintain written guidelines incorporating these criteria as applied by Chubb in implementing its Plan. These guidelines shall be deemed to be a part of Chubb's Plan. Chubb's guidelines shall be made available to the Commissioner upon his or her request and shall also be made available to any repair shop in the event the insurer denies that shop's request to be a referral shop or revokes the referral shop agreement of any referral shop.
- iv. A repair shop shall be included as a Chubb referral shop if the shop agrees in writing to comply fully with the Plan, unless the shop's request is denied or the shop's referral shop agreement is revoked pursuant to 211 CMR 123.06(4), and is determined by Chubb not to satisfy one or more of the criteria listed above. The form of agreement between Chubb and Chubb's referral shops may provide adequate assurances that the repair shop will continue to satisfy us as to such criteria.

## **7. Development and Changes of Referral Shops**

Chubb may deny a repair shop's requests to be a referral shop or revoke a referral shop's agreement, provided we file a statement with the Commissioner specifying the nature of the shop's failure to comply with the Plan or with the agreement or proposed agreement between Chubb and the repair shop. A repair shop which claims that it has been improperly denied as a referral shop or whose referral shop agreement has been revoked may demand arbitration. Such binding arbitration shall be conducted by a neutral arbitrator jointly agreed to by Chubb and the repair shop, or, in the absence of such agreement, within 21 days of submission of the request for arbitration to Chubb, by an arbitrator selected by the Commissioner. 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 attorney's fees, if any. The arbitrator shall determine whether the repair shop was improperly denied, 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.

## **8. Our Guarantee**

If a claimant has repairs performed at a repair shop included on our referral list, Chubb shall guarantee the quality of the materials and workmanship used in making the repairs. Chubb shall not petition the Commissioner for a waiver of this requirement. This guarantee by us shall be in addition to all other guarantees which may be made by the manufacturer and the repair shop. The agreement between Chubb and the repair shop may provide for indemnification of Chubb by the repair shop for any costs associated with such guarantee under such terms and conditions as the parties to the agreement shall specify.

## **9. Reinspection Requirements**

Chubb shall have a licensed automobile damage appraiser reinspect vehicles following completion of repairs as follows:

- i. 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;
- ii. 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 the repairs were performed at a repair shop that is not a referral repair shop.

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

## 10. Conflicts of Interest

- i. No employee or agent of Chubb with responsibility for entering into referral shop agreements 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 seeking to be a referral shop or from any referral shop. No repair shop, or employee or owner thereof, shall give, pay or offer to give or pay, anything of value to any employee or agent of an insurer with responsibility for creating, managing or maintaining a 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, as Chubb's referral shop. For purposes of 211 CMR 123.08(7)(a), the words "employee", "owner" and "agent" shall also include any spouse or child of an employee, owner or agent.
- ii. 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 Chubb shall not constitute a "payment, gift or any other thing of value" for purposes of 211 CMR 123.06(7)(a).

## 11. Disclosures to Consumers

Chubb shall provide every claimant under the Plan full and adequate disclosure on a form approved by the Commissioner. The disclosure form shall be given to the claimant prior to, or at the same time as, any payment made. The disclosure form shall be given with the appraisal and at such other times as Chubb may determine, and shall state, with the appraisal and at such other times as we may determine, and shall state that:

- i. The claimant may elect to accept direct payment under the plan and receive a list of all registered repair shops pursuant to 211 CMR 123.06(2), or he or she may choose to pursue the claim without regard to the plan;
- ii. If the claimant accepts direct payment, he or she may choose to have repairs made at any repair shop, whether or not the shop is a Chubb referral shop;
- iii. If the claimant accepts direct payment, the claimant may choose a shop that is a Chubb referral shop in which case we will guarantee the materials and workmanship of the repair in accordance with the terms of Section 8 above, captioned "Our Guarantee", and the cost of the repair to the claimant will not exceed the amount of Chubb's direct payment to the claimant plus any applicable deductible;
- iv. The procedure for resolving claimants' disputes under the Plan; and
- v. Such other information as will aid the claimant in exercising his or her rights under the Plan.

## 12. Amendment

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.

## 13. Effective Date

This Plan shall be effective on January 1, 2018, 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 effective date of the Plan, unless and until the approval of this Plan is revoked or the Plan is otherwise terminated in accordance with 211

CMR 123.04(9), or unless and until Chubb voluntarily withdraws the Plan in accordance with 211  
CMR 123.04(10).

DRAFT