



East News

Mass. Commissioner Reverses Plan to Drop Auto Surcharge Appeals Board

By Kenneth J. St. Onge
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Massachusetts Insurance Commissioner Nonnie Burnes has reversed her plan to scrap the Bay State's Board of Appeals -- part of the long-standing system through which drivers could appeal insurance surcharges they received for car accidents.

Burnes announced the reversal in a statement issued yesterday. The Division of Insurance had been proposing an alternative system through which drivers could appeal their surcharges to their insurers, rather than a state official.

Burnes, a former judge, had argued that the laws governing the Bay State's auto insurance system -- the overhaul of which went into effect on April 1, 2008 -- essentially nullified the role of the Board of Appeals. The Division of Insurance had maintained that the streamlined system it was proposing would be a consumer-friendly, quicker alternative to the previous regime of appeals.

In a her statement Burnes said her department "had every confidence that this new plan would protect consumers and offer them a fair resolution; however, we have heard the concerns voiced by the general public."

Critics argued that the alternative system would lack the fairness of the formal, state-run Board of Appeals because insurers would have no incentive to waive a surcharge. The Board of Appeals hears about 50,000 surcharge cases a year, and reverses about half of them.

Francis Mancini, president of chief executive officer of the Massachusetts Association of Insurance Agents, which had been among the most vocal critics of the plan, had previously said that eliminating the Board of Appeals would be unfair, "unpopular and something consumers would not embrace."

"This is definitely a victory for consumers," Mancini said during a phone interview today. "This was an unintended consequence of managed competition."

The reversal of the policy came hours before legislative hearings where lawmakers were scheduled to consider proposals aimed at keeping the Board of Appeals.

Burnes, who in September sat down for lengthy on-camera interview with *Insurance Journal* on [the progress of managed competition](#), said her department "look(s) forward to continuing the progress that managed competition has already demonstrated and ensuring consumers experience every benefit the competitive market has to offer."

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