

# Massachusetts

Personal Auto

Revised January 1, 2017



UNDERWRITING & PRODUCT GUIDE

*Underwritten by: Integon National Insurance Company*

**National General**   
Auto, Home & Health Insurance

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**Contact Information**

**Customer Service**

One Choice Customer Service Phone Number.....1-888-325-1190

Premier Customer Service Phone Number .....1-844-287-2237

Customer Service Fax Number .....1-877-849-9022

**Online Service**

One Choice.....[www.nationalgeneral.com](http://www.nationalgeneral.com)

Premier .....[www.NatGenPremier.com](http://www.NatGenPremier.com)

**Agency Policy System** .....[www.natgenagency.com](http://www.natgenagency.com)

**Quote Assistance**

One Choice.....1-888-325-1190

Premier .....1-844-287-2237

**Claims Services**

One Choice - Report a New Claim (Available 24/7).....1-800-468-3466

Premier - Report a New Claim (Available 24/7) .....1-844-287-2236

**Addresses**

**Correspondence**

National General Insurance  
PO Box 3199  
Winston-Salem, NC 27102-3199

**Payments**

National General Insurance  
PO Box 89431  
Cleveland, OH 44101-6431

## Eligibility

### Vehicle Ownership

All individually owned vehicles registered under the Massachusetts Compulsory Motor Vehicle Law may be written on a Massachusetts Automobile Insurance Policy.

### Coverage and Limits

The coverages available on the Massachusetts Automobile Insurance Policy are as follows:

#### Compulsory Insurance Coverages

##### Part 1 — Bodily Injury To Others

The basic limits are \$20,000 each person and \$40,000 each accident.

##### Part 2 — Personal Injury Protection

The basic limit is \$8,000 for each person.

##### Part 3 — Bodily Injury Caused By An Uninsured Auto

The basic limits are \$20,000 each person and \$40,000 each accident. Increased limits are available. The limits may not exceed the limits of Part 5, or if Part 5 is not purchased, Part 1 of this policy. This coverage is excess over Personal Injury Protection.

##### Part 4 — Damage To Someone Else's Property

The basic limit is \$5,000 each accident. Increased limits are available.

#### Optional Insurance Coverages

##### Part 5 — Optional Bodily Injury To Others

The basic limits are \$20,000 each person and \$40,000 each accident. Increased limits are available.

##### Part 6 — Medical Payments

The basic limit is \$5,000 each person. Higher limits are available for all motor vehicles rated in this manual. Motorcycle limits are available from \$500 to \$50,000. This coverage is excess over Personal Injury Protection.

##### Part 7 — Collision

This coverage is subject to a basic deductible of \$500. A deductible of \$300 is available subject to underwriting requirements established by the insurer, as permitted by law. Higher deductibles are available at the option of the insured. Waiver of Deductible is available at the option of the insured. This coverage is written on an actual cash value or stated amount basis.

##### Part 8 — Limited Collision

This coverage is subject to a basic deductible of \$500. Other deductibles or full coverage are available at the option of the insured. This coverage is written on an actual cash value or stated amount basis.

##### Part 9 — Comprehensive

This coverage is subject to a basic deductible of \$500. A deductible of \$300 is available subject to underwriting requirements established by the insurer, as permitted by law. Higher deductibles are available at the option of the insured. A separate \$100 glass deductible is also available at the option of the insured. This glass deductible is in addition to the otherwise applicable deductible for Part 9. This coverage is written on an actual cash value, stated amount or agreed amount basis.

#### Part 10 — Substitute Transportation

This coverage pays for loss of use to a motor vehicle as a result of an accident or loss.

#### Part 11 — Towing And Labor

This coverage will pay up to \$50 or up to \$100 for towing and labor costs for each auto disablement. The rate for \$50 per disablement is \$8 and the rate for \$100 is \$16. It is available only for private passenger motor vehicles and motorcycles.

#### Part 12 — Bodily Injury Caused By An Underinsured Auto

The basic limits are \$20,000 each person and \$40,000 each accident. Increased limits are available. The limits may not exceed the limits of Part 5, or if Part 5 is not purchased, Part 1 of this policy. This coverage is excess over Personal Injury Protection.

### Other Coverages

Fire, Theft and Combined Additional coverages subject to a basic deductible of \$500. Higher deductibles are available at the option of the insured. Theft coverage may be granted only in connection with Fire coverage, and for a like amount in both cases.

These coverages are written on an actual cash value basis or stated amount basis.

### Mandatory Offer of Coverage

Massachusetts law requires the company that provides Compulsory Insurance Coverages to make a mandatory offer to issue to any person so insured additional coverages consisting of:

- Limits up to \$35,000 each person and \$80,000 each accident for Parts 3, 5 and 12.
- \$5,000 each person for Part 6.
- Parts 7, 8 and 9, subject to a basic deductible of \$500.
- Part 10 — Substitute Transportation.
- Fire, Theft and Combined Additional coverages subject to a basic deductible of \$500.

Companies must charge an extra-risk rate or refuse Collision and Comprehensive coverages under certain circumstances as required by law.

### Residence and Location

The rates and rules are determined by where the automobile is principally garaged. Motor vehicles used by salesmen or solicitors, or those with similar duties, requiring the operation of the motor vehicle in more than one rating territory in Massachusetts, shall be assigned to the territory determined by the place of principal garaging, or, if there is no specific city or town of principal garaging, then, by the residential address of the operator, or, if the residential address of the operator cannot be determined, then, by the Massachusetts business address of the operator. No adjustment of the premium shall be made by reason of a change in the place of principal garaging during the policy period unless such change is permanent.

Massachusetts registration is required of non-residents in accordance with reciprocal agreements with the various states as determined by the Registrar of Motor Vehicles.

Any motor vehicle owned by a **non-resident** of Massachusetts for which Massachusetts registration is required, regularly garaged **inside** the Commonwealth, shall be charged the rate for the territory in which the motor vehicle is principally garaged by such **non-resident** during the period of Massachusetts registration.

## **Out of State Garaging**

Any motor vehicle, whether owned by a resident or non-resident of Massachusetts for which Massachusetts registration is required, regularly garaged outside of Massachusetts is written at limits of liability at least equal to the financial responsibility limits of the state of principal garaging, and will be charged the rates for vehicles garaged in Territory 9.

## **Miscellaneous Motor Vehicles and Coverages**

### **Motor Homes/Camper Bodies**

#### **Motor Homes**

Any motor vehicle originally designed or permanently altered as living quarters (including cooking, dining, plumbing or refrigeration facilities), and which is used exclusively for human habitation or camping purposes is eligible for coverage. This also includes pick-up trucks used solely to transport a camper body or other similar living quarters. A motor vehicle designed primarily to transport property which has been temporarily altered or equipped for human habitation shall not be deemed to be a motor home.

#### **Camper Bodies**

A pick-up truck used to transport a portable camper body or similar living quarters, but which is also used for other purposes should be rated, both pick-up and camper body, according to the otherwise regular use of the vehicle.

### **Antique Motor Cars and Antique Vehicles**

Any motor vehicle or motorcycle registered as an antique or if not registered is over 25 years old which is maintained solely for use in exhibitions, club activities, parades and other functions of public interest and which is not used primarily for the transportation of passengers or goods over any way, provided that the application for registration thereof is accompanied by an affidavit upon a form provided by the Registrar which includes a statement of the age and intended use of such motor vehicle.

The Merit Rating Plan does not apply to antique vehicles.

### **Stated Amount Coverage**

Parts 7, 8, and 9 named

A motor vehicle may be insured on a stated amount basis when it can be clearly established that its value will produce an inadequate premium charge using normal rating procedures.

### **Golf Mobiles and Lawn movers (Motorized)**

Coverage for these vehicles is provided by a Personal Auto Policy.

### **Motorcycles, Motor scooters, Mopeds, and Similar Motor Vehicles**

Experienced or inexperienced operator classifications apply to coverage parts 1, 2, 4, 5, 7 and 8. The experienced operator classification is applied when the operator of the motorcycle has been licensed to operate a motorcycle for at least 6 years. The inexperienced operator class is applied when the operator of the motorcycle has been licensed to operate a motorcycle for less than six years, or holds a motorcycle permit. The Merit Rating assigned to an operator on a private passenger automobile insurance policy, if available, is also applied to the motorcycle policy. Operators assigned to motorcycles will also be considered for assignment to automobiles listed on the policy.

If there is more than one operator on a policy, the operators are assigned to the motorcycles in the order which produces the highest combined premium. The combined premium is the sum of the

premium for Parts 1, 2, 4, 5, 7, 8 and 9 for the operator's classification, including the 25% discount for operators age 65 and over, and the operator's Merit Rating adjustment. Any motorcycles remaining after assignment of all operators is assigned the classification producing the lowest combined premium for the listed operators. If an inexperienced operator is the only listed operator of the motorcycle on the policy, all motorcycles are assigned an inexperienced operator classification.

Personal Injury Protection coverage for any operator or occupant of a motorcycle is excluded under the policy.

The term "Motorcycle" includes any motor vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground, including any bicycle with a motor or driving wheel attached, except a tractor, a motorized lawnmower, a motor vehicle designed for the carrying of golf clubs and not more than four persons, an industrial three wheel truck, or a motor vehicle on which the operator and passengers ride within an enclosed cab.

The multi-car discount does not apply.

These vehicles are classified on the basis of cubic centimeter displacement in accordance with the following groups.

Group A — Cubic Centimeter Engine Displacement of 100 or less

Group B — Cubic Centimeter Engine Displacement of 101-350

Group C — Cubic Centimeter Engine Displacement of 351-650

Group D — Cubic Centimeter Engine Displacement over 650.

Motorcycles subject to the Compulsory Law are eligible for a 25% discount if the experienced operator is age 65, or older. The discount applies to all Parts.

Motorcycles subject to the Compulsory Law are eligible for a 10% discount if the principal operator has completed an approved motorcycle rider training program. The discount applies to Parts 1, 2, 3, 4, 5, 6, 7, 8 and 12.

Motorcycles subject to the Compulsory Law are eligible for a 20% discount if the motorcycle is equipped with a Vehicle Recovery System. This discount is applicable to Comprehensive coverage or other combinations of specified perils which afford Theft coverage.

Coverage for vehicles rated as a motorcycle that are not subject to the Compulsory Law shall be provided on a Personal Auto Policy without a Personal Injury Protection endorsement.

### **Agreed Amount Coverage — Comprehensive**

At the option of the policyholder, Comprehensive (Part 9) coverage may be written to provide that in determining the actual cash value of a motor vehicle to be insured, no deduction is made to reduce the value of the vehicle to less than the agreed value in the event of loss.

"Agreed value," means the value of the vehicle as determined by agreement between the insurer and the policyholder. As a condition to this coverage, the insurer is permitted to inspect the vehicle at the time of application.

### **Excess Electronic Equipment Coverage**

Coverage for loss or damage to any electronic equipment that reproduces receives or transmits audio, visual or data signals, is excluded under the Massachusetts Automobile Insurance Policy, unless the electronic equipment has been permanently installed in the auto in locations used by the auto manufacturer for installation of such equipment. However, electronic equipment which is permanently installed in the auto in locations not used by the auto manufacturer for installation of such equipment is covered up to \$1,000. Coverage in excess of \$1,000 is available.



## Customized Vans and Pick-Ups

Coverage for loss or damage to customizing equipment located in or upon a pick-up or van is excluded under the Massachusetts Automobile Insurance Policy. Collision, Limited Collision, and Comprehensive coverage for customizing equipment is available for any pick-up or van insured under the policy for Collision (Part 7), Limited Collision (Part 8), or Comprehensive (Part 9) by including endorsement and adding the value of the customized equipment to the value of the vehicle.

## Original Equipment Manufacturer Parts Coverage

### Coverage Parts 7, 8, 9

Coverage for payment of an amount necessary to replace damaged crash parts of an auto with parts manufactured or licensed by the original equipment manufacturer is provided for autos with less than 20,000 miles. At the option of the company, this coverage may be extended. Crash parts are defined to be sheet metal or plastic parts that constitute the visible exterior of the vehicle excluding glass and mechanical parts.

Eligible autos are private passenger automobiles which are insured for Collision, Limited Collision or Comprehensive coverage, and which are up to 10 model years old.

## Named Non-Owner Policy

A policy may be written, at the option of the company, to insure a named individual who does not own an auto but drives borrowed or rented autos. The policy may also provide coverage for family members.

## Use of Other Automobiles

A policy may be extended to provide coverage for an individual who owns an auto but also drives borrowed or rented autos. The policy may also be extended to provide coverage for household members.

### Physical Damage Coverage

A policy providing Collision (Part 7), Limited Collision (Part 8) or Comprehensive (Part 9) coverages may be extended to provide these coverages for non-owned private passenger autos furnished or available for regular use to the named individual other than for use as a public or livery conveyance.

The premium for these coverages shall be the applicable private passenger class, symbol 5 and the latest model year shown in the manual for the territory in which the named individual resides.

## Supplemental Information

### Pre-Insurance Inspection Program

#### Eligibility

Unless specifically exempted or waived, all private passenger motor vehicles and pick-ups or vans having a gross vehicle weight up to 10,000 pounds are required to be inspected by an insurer prior to the issuance of physical damage coverages by National General Insurance.

#### Exemptions to Inspection Requirement

An inspection is not required if:

- The motor vehicle is a new, unused motor vehicle from a franchised automobile dealership where the insurer is provided with either: a copy of the bill of sale which contains a full description of the



motor vehicle, including all options and accessories; or a copy of the RMV Form 1 provided by the Registry of Motor Vehicles, which establishes the transfer of ownership from the dealer to the customer and a copy of the window sticker or the dealer invoice showing the itemized options and equipment in addition to the total retail price of the vehicle.

- The applicant has been insured for 3 years or longer, without interruption, under a motor vehicle liability policy or policies which include(s) physical damage coverage, issued by National General Insurance; or any applicant involuntarily transferred to another insurer due to the applicant's original insurer's withdrawal from the Commonwealth if the applicant otherwise qualifies under this regulation.
- An inspection is waived by National General Insurance.
- Any private passenger motor vehicle not owned by the applicant, which is used by the applicant, with the permission of the owner, as a temporary substitute due to breakdown, repair, servicing, loss, or destruction of the applicant's own motor vehicle.
- A motor vehicle which is leased less than 6 months provided National General Insurance receives the lease or rental agreement containing a description of the leased motor vehicle, including its condition.
- When requiring an inspection would cause a serious hardship to National General Insurance or the applicant and such hardship is documented in the applicant's policy record.
- When National General Insurance has no inspection facility or authorized representative either in the city or town in which the motor vehicle is principally garaged or within five miles of said city or town.

### **Waiver of Inspection**

- National General Insurance may waive an inspection under any of the following circumstances:
- The motor vehicle is ten or more model years older for all policies issued or renewed during the current calendar year.
- Where a non-owned vehicle is insured under a policy providing physical damage coverage issued by National General Insurance which has inspected such motor vehicle.
- Where a producer is transferring a book of business from one insurer to one or more insurers.
- Where an individual applicant's coverage is being transferred by an independent insurance producer to National General Insurance and said producer provides National General Insurance with a copy of the inspection report completed on behalf of the previous insurer, provided the independent producer represents both insurers, and the insured vehicle was physically inspected by the previous insurer. However, if National General Insurance does not receive a copy of the inspection report 60 days prior to the first renewal, National General Insurance may, upon renewal of the physical damage insurance, require an inspection.
- When a motor vehicle is insured for physical damage on the applicant's expiring Massachusetts Automobile Insurance Policy, or when a copy of a prior Pre-insurance Inspection is provided.
- When the applicant has been a customer of the producer for at least 3 years under a Massachusetts Automobile Insurance Policy which included physical damage coverage.
- Where the Category of the current National General Mass Auto Insurance Policy is issued in Category B through K.

### **Deferral of Inspection Requirements**

- National General Insurance may defer an inspection for 10 calendar days (not including legal holidays and Sundays) following the effective date of coverage on new business and on additional or replacement vehicles to an existing policy, if an inspection at the time of the request for coverage would create a serious inconvenience for the applicant. An inspection may also be deferred for applicants insured through the Massachusetts Auto Insurance Plan (MAIP).

- Whenever an inspection is deferred, the Notice of Mandatory Pre-Insurance Inspection Requirement or the Acknowledgment of Requirement for Pre-Insurance Inspection must be used in accordance with the Regulation.
- If an inspection is not conducted within the 10 day deferral period, physical damage coverage is automatically suspended on the day following the 10 day deferral period.
- Coverage may be reinstated to be effective at the time of inspection or, in accordance with the Regulation; the Notice of Suspension of Physical Damage Coverage must be used.

### **Inspection Procedures**

- Inspections required or permitted will be conducted by an Authorized Representative of National General Insurance at a time and place reasonably convenient to the applicant.
- The inspection will be recorded on the Motor Vehicle Pre-Insurance Inspection Report and include appropriate photos as required under the Regulation as well as photos showing any physical damage on the vehicle.
- National General Insurance must retain the inspection and photographs for 3 years except as provided by the Regulation. The insurers shall maintain a current list of all its authorized representatives and inspection sites.
- There will be no additional or separate charge to the Applicant in connection with an inspection of any vehicle.

## **Merit Rating Plan**

### **Driving Record/Experience Period**

Each listed operator on a policy is assigned a merit rating based on the operator's driving record. The merit rating adjustment is a percentage multiplied by the otherwise applicable premium that reflects the number, type, and age of at-fault accidents and traffic violations of the operator during the policy experience period. The % can be either positive or negative.

The policy experience period is the 6 years immediately preceding the effective date of the policy. At-fault accidents or traffic violations that occurred more than 5 years prior to the policy effective date are not considered in the determination of the merit rate adjustment.

The merit rating adjustment will be determined based on the merit rating code reported to us by the Merit Rating Board.

### **Operators New to Massachusetts**

If an application for insurance indicates that an operator new to Massachusetts was licensed outside of Massachusetts within the last 6 years, or such operator is being added to an existing policy, the operator's policy experience period will begin as of the effective date of that policy until the company receives an authorized inquiry response from the Merit Rating Board indicating the operator's merit rating code.

If an operator's Motor Vehicle Report (MVR) is electronically available, the company will be responsible for obtaining it from the state or country where the operator was licensed. Driving history on MVRs obtained from more than one state or country will be combined by the company and considered as one report. An acceptable MVR must have 3 years or more driving history, unless the operator has been licensed less than 3 years. If there are no motor vehicle violations or at-fault accidents shown on the MVR, the company will submit a policy inquiry to the Merit Rating Board. An operator's MVR with motor vehicle violations or at-fault accidents will be submitted to the Merit Rating Board. The Merit Rating Board will determine the operator's merit rating code.

If an operator's MVR is not electronically available, the policy experience period for the operator will begin as of the effective date of the policy until the company receives an authorized inquiry response from the Merit Rating Board with the operator's actual merit rating code. The operator may obtain an official driving record or a record from a previous insurer and submit it to the company. If the driving

record is not in English, a translation certified as true and correct by the translator must be obtained by the operator and attached to the driving record submitted to the company. An acceptable driving record must have 3 or more years driving history, unless the operator has been licensed less than 3 years. If there are no motor vehicle violations or at-fault accidents shown on the operator's record, the company will submit a policy inquiry to the Merit Rating Board in compliance with its Administrative Procedures. An operator's record with motor vehicle violations or at-fault accidents will be submitted to the Merit Rating Board. The Merit Rating Board will determine the operator's merit rating code.

**Determination of Merit Rating Code**

Points are assigned to an operator for each of the following at-fault accidents and traffic violations that occurred during the 5 years immediately preceding the effective date of the policy:

Minor traffic law violation	2 points
Minor at-fault accident	3 points
Major at-fault accident	4 points
Major traffic law violation	5 points

An "at-fault" accident is one in which the company determines that the involved operator is more than 50% at-fault. An at-fault accident is defined as minor only if it resulted in a claim payment for bodily injury liability, damage to someone else's property, collision or limited collision of at least \$500 and up to \$2,000. An at-fault accident is defined as major only if it resulted in a claim payment of more than \$2,000.

If the most recent at-fault accident or traffic violation occurred less than 3 years prior to the policy effective date, the operator's merit rating code will equal the sum of the points accumulated for at-fault accidents and traffic violations that occurred during the five years immediately preceding the effective date of the policy. If the most recent at-fault accident or traffic violation occurred more than 3 years prior to the policy effective date, and the number of at-fault accidents or traffic violations in the past 5 years is three or less, the operator's merit rating code is equal to the sum of the points accumulated for at-fault accidents or traffic violations that occurred during the 5 years immediately preceding the effective date of the policy minus the total number of at-fault accidents or traffic violations that occurred during that same time period. In no event shall the points for any at-fault accident or traffic violation be reduced below zero.

Points are not assigned to a non-criminal minor motor vehicle traffic law violation if it is the first such violation.

If there are no at-fault accidents or traffic violations attributable to an operator during the 6 years immediately preceding the policy effective date, the operator's merit rating code is 99. If there are no at-fault accidents or traffic violations attributable to an operator during the 5 years immediately preceding the policy effective date, the operator's merit rating code is 98.

**Surety Bond Rules**

- The rates for Motor Vehicle Surety Bonds is 10% of the Statutory (Compulsory) Rates for Motor Vehicle Liability insurance policies.
- No Motor Vehicle Surety Bonds may be issued unless or until the applicant (owner) has furnished collateral equal to at least 120% of the highest amount of losses incurred in any one year of the most recent 5 year experience period. If the experience is not available for the 5 preceding years, the applicant must satisfy the company that he is able to pay any judgment to the extent of \$40,000 for each motor vehicle to be covered. The

minimum premium for a motor vehicle liability bond for Statutory (Compulsory) coverage is \$25.

- The classifications for Motor Vehicle Surety Bonds may be the same as for Motor Vehicle Liability insurance policies.

## Registry of Motor Vehicles Procedures

The following is a general summary of Registry of Motor Vehicles procedures. For specific details about procedures, contact the Registry.

### Registration Requirements

A Registration is required for all vehicles and trailers. A complete "RMV-1" form must be submitted, along with the previous owner's title or certificate of origin, or a bill of sale for a vehicle that has not been titled previously.

6 to 8 weeks prior to the expiration date of registration, the Registry will mail an "RMV-2" renewal card, which will show the current registration data for the owner of the vehicle and the vehicle. Certain changes may be made by the owner on the application.

An "RMV-3" Amendment of Registration form may be used to change information on a current registration, renew a current registration if an "RMV-2" form has not been received, swap from one license plate to another type of plate, such as a vanity plate, and re-register a vehicle for the same owner, if a new title is not required.

### Registration Transfer

- Valid plates from a previously-owned vehicle may be transferred to a newly acquired vehicle provided the owner is at least 18 and has lost possession of the vehicle through either a transfer of ownership or sale of the vehicle.
- An owner has 7 calendar days to operate a newly acquired vehicle with current plates before the transfer is processed at the Registry, and the intent of the owner is to transfer the registration from the previous vehicle to a newly acquired vehicle of the same type.
- Restrictions on a registration transfer are: the owner must be the same on both vehicles, the transferred registration must be active, and the new vehicle must have the same type of plate.

### Salvage Title

All vehicles for which an insurance company has made a total loss payment must be titled as a salvage vehicle except for vehicles 10 years or older. A vehicle which has a Salvage Title may not be provided with physical damage insurance until a new Certificate of Title is issued by the Registry. The Reconstructed or Recovered Theft Title will be awarded after the vehicle has passed a salvage inspection. The vehicle must be either towed to the salvage inspection site or a repair plate must be attached.

## Category Placement

Each policy shall be assigned to a category in order to determine the rates and rating factors for that policy.

The determination of the appropriate category is based on objective, mutually exclusive and exhaustive criteria. The criteria used do not include sex, marital status, race, creed, national origin, religion, age, occupation, income, education, homeownership, rating territory, credit information contained on a consumer report obtained from a reporting agency.

Determine the category for each policy by using the following criteria:

- Prior insurance
- Years with National General Insurance or the prior carrier
- Part 5 Bodily Injury coverage Limits
- Quote date
- Lapse in insurance coverage in the last 6 months
- Number of non-chargeable incidents, excluding glass and towing claims under Comprehensive coverage
- Maximum Merit Rating adjustment of all rated operators
- Minimum age of newest vehicle on the policy
- Number of drivers listed on the policy
- Number of vehicles insured on the policy
- Number of years of driving experience of the least experienced operator
- Make of the vehicle
- Value of the vehicle
- Physical damage coverage
- Named insured license state
- Existence of excluded operators.

Policies are assigned a category at the policy inception and at each subsequent renewal based on the conditions of the policy at that time.

## Loan/Lease Coverage

Loan/Lease coverage can extend Comprehensive and Collision coverages to provide for the difference between indebtedness under a Loan/Lease agreement on a new vehicle and the actual cash value of the vehicle. Increased vehicle leasing in recent years and the use of longer loan periods has created the exposure to which this coverage applies.

### Eligibility

A policy providing both Part 7 — Collision and Part 9 — Comprehensive coverage may be extended to provide coverage for the difference between the outstanding indebtedness on a loan/lease agreement on a new vehicle, and the actual cash value of the vehicle, subject to the following:

Auto Loan/Lease Coverage may be provided only to a vehicle that is a private passenger auto, pickup or van that qualifies for coverage on a Massachusetts Automobile Insurance Policy; and

The insured must request the auto loan/lease coverage within 30 days of leasing or financing a new vehicle.

**Note:** A new vehicle as used in this rule is a vehicle that has not previously been titled under the motor vehicle laws of any state.

## Identity Theft Resolution Assistance

For no additional premium, Identity Theft Resolution Assistance applies to all automobile policies.

- Referral will be made to a firm that provides
- A Personal Advocate who works with insured.
- Comprehensive notifications to relevant institutions
- Case file resolution
- Post resolution follow-up in order to report or resolve identity theft.

## Identity Theft Resolution Assistance

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Post resolution follow-up in order to report or resolve identity theft.

## Auto Security Plus

This package of optional coverages may be added to policies that provide Collision and Comprehensive coverage. It provides additional coverage and limits to some of the insured's current coverages plus several additional enhancements. The endorsement includes:

Additional Limits Transportation Expenses;

- Use of Original Equipment Manufacturers Parts until the insured vehicle is 3 model years old;
- Increased Supplementary Payments;
- Auto Loan/Lease Coverage;
- Optional Supplementary Payments;
- Travel Expense Coverage;
- Auto Theft Reward;
- Accidental Air Bag Deployment; and
- Emergency Roadside Assistance Coverage.

Coverage is provided on a per vehicle basis and is available if the insured has Collision and Comprehensive coverages on the insured vehicle. This coverage is not available for motor homes or trailers.

## Companion Property Discount (Excludes Dwelling Fire Forms)

If the named insured or spouse is also the named insured on National General Insurance or any affiliate or subsidiary property policy, except for a Dwelling Fire policy, apply a 12% companion policy discount to all coverages and premiums. This discount may be added at any time when the eligible companion property policy becomes effective.

Or, if the named insured or spouse is also the named insured on a Fair Plan, Narragansett Bay Insurance Company or Barnstable Mutual Insurance Company Property Policy, except for a Dwelling Fire policy, apply a 5% companion policy discount to all coverages and premiums. This discount may be added at any time when the eligible Companion Property Policy becomes effective.

## Discounts

### Airbag

Discount is given to vehicles with air bag devices. A 25% discount of the premium paid for Parts 2, 3, 6 and 12 will be given to eligible policyholders for qualifying vehicles which contain certain occupant safety features.

A 25% discount of the premium paid for Parts 2, 3, 6 and 12 will be given to eligible policyholders for qualifying 17 vehicles which contain certain occupant safety features. These features are: an airbag installed for either the driver's seating position or both front outboard designated seating positions or

an automatic seatbelt installed for either the driver's seating positions or both front outboard designated seating positions.

## Annual Mileage

A discount of the premium paid for Parts 1, 2, 3, 4, 5, 6, 7, 8 and 12 will be given to eligible policyholders on request, when the annual mileage of the vehicle falls into one of two categories. The discount will be based on the actual mileage driven in the previous policy year as determined by a comparison of two odometer readings, at least six months apart, from Registry of Motor Vehicle information or the Annual Mileage Discount Form and other standard automobile insurance forms available to the company.

- **Eligibility** — The vehicle must be a private passenger vehicle as defined in Rule 27, except that vehicles classified as Antiques are not eligible. The company may request that the applicant for the discount complete the Annual Mileage Discount Form approved by the Commissioner of Insurance for the verification of eligibility for the discount.
- **Verification** — The company may use the odometer readings provided by the applicant on the Annual Mileage Discount Form or other standard forms available to the company, in order to verify the mileage driven in the past year. The company shall compute the annualized difference between the odometer reading at the time of application and the previous odometer reading to determine eligibility. If a vehicle replaces a vehicle which is receiving the discount, the annual mileage of the prior vehicle will be attributed to the replacement vehicle.

The company may use information from the Vehicle Inspection System of the Registry of Motor Vehicles to verify annual mileage. The difference in the two most recent odometer readings reported by the Registry, if at least six months apart, shall be annualized to determine eligibility for the discount. If the Registry reports only one reading, which is more than six months before the application for the discount, the applicant may provide a current odometer reading on the Annual Mileage Discount Form, and the difference shall be annualized to determine eligibility.

If two odometer readings, at least six months apart, are not available to the company through the Registry of Motor Vehicles, the Annual Mileage Discount Form or other standard forms, the vehicle is not eligible for the annual mileage discount.

## Anti-Theft

DEVICE STANDARDS AND DISCOUNTS:

RULES REGARDING REDUCTIONS IN PREMIUM CHARGES FOR PRIVATE PASSENGER MOTOR VEHICLES EQUIPPED WITH AN ANTI-THEFT MECHANISM AND VEHICLE RECOVERY SYSTEMS

## Class 15

Premiums otherwise applicable to class 10 automobiles shall be reduced by 25% for insureds age 65 or older. If the principal or occasional operator becomes age 65 during the policy year, the class 10 premium must be adjusted as of that date for the vehicle this operator is assigned to via driver assignment rules.

Premiums otherwise applicable to class 10 automobiles shall be reduced by 25% for insureds age 65 or older. If the principal operator becomes age 65 during the policy year, the class 10 premium must be adjusted as of that date. The premium adjustment shall be credited to the policyholder on that date unless that date is within sixty days of the expiration date of the policy, in which case the adjustment may be credited to the renewal policy. A notice of this classification change must be sent to the policyholder either prior to or with the proposed adjustment. The policyholder is required to notify the company of any change in operator usage which would affect entitlement to the discount. Companies have the option of applying this discount in either of two ways:

1. Compute 75% of the class 10 rate for each part and display the exact dollar and cents results for each part.



2. Compute 75% of the class 10 rate for each part and unless the result is a whole dollar amount, reduce the result to the next whole dollar.

The 25% discount is applied to the final premium for each part after all other discounts and rating factors have been completed. It is the last step in the rating process prior to the application of the Merit Rating adjustment.

## Continuous Coverage

MA Auto MAIP Only:

The MAIP premium for Parts 1, 2, 4 and 5 will be reduced following the assigned company's verification of a rated operator's eligibility for the continuous coverage discount.

The discount shall apply to each rated operator that has been insured without a lapse in coverage under an automobile insurance policy for the 12 month period preceding the effective date of the policy.

## Glass

Represented within Part 5.

## Good Student<sup>1</sup>

Discount is given for drivers that meet good student requirements. Driver must be licensed less than 6 years and be a rated driver. A discount applies where an insured meets the following criteria:

- Is the rated operator on a vehicle, and
- Is licensed less than 6 years; and
- Is enrolled as:
  - A full time student in high school, or
  - Is enrolled as a full time student in academic courses in a college or university; or
  - Is enrolled in an academic home study program.
- and the student's cumulative scholastic record or record for the immediately preceding segment (i.e. semester, quarter, etc.) from the appropriate school shows that the student:
  - Ranked scholastically among the upper 20% of his/her class, or
  - Had a grade average of B or its numerical equivalent for all subjects combined; or
  - Was included on a Dean's List, Honor Roll, or comparable listing for scholastic achievement, and provides a copy of the relevant report card, transcript, or Dean's List/Honor roll documentation indicating attainment of at least one of the scholastic requirements outlined above.

Upon satisfying the requirements listed above, the discount will apply for the remainder of the current policy period and for the subsequent policy period.

To continue to qualify for the discount the relevant documentation must be provided for each subsequent 12-month period.

For rated operators who receive the Good Student Discount, but have graduated from or terminated their enrollment in the college or university, the discount will continue to apply until they have more than 6 years driving experience, provided the rated operator:

- Attended a college of university on a full time basis for at least two consecutive years, and
- Had a cumulative college scholastic record upon termination or graduation that met the requirements outlined above.

This discount only applies to Private Passenger Type vehicles

### **Group Auto**

Discount applied based on the Group Code entered on the UI. It is a discount applied if insured is a member of a pre-approved group.

### **Home Companion**

If the named insured or spouse is also the named insured on a Tower Group or any affiliate or subsidiary Property Policy, except for a Dwelling Fire policy.

### **Low Frequency**

MA Auto MAIP Only:

The MAIP premium for Parts 1, 2, 4 and 5 will be reduced following the assigned company's verification of a rated operator's eligibility for the low frequency discount. The discount shall apply to each rated operator that has 4 or less merit rating points as defined in Rule 56 – Merit Rating Plan, and where a claim payment under any or all of the above coverage parts has not been made to or on behalf of the rated operator in connection with more than one accident during the three years preceding the effective date of the policy.

### **Mass Transit 2**

A driver who provides the requisite proof of using mass transportation to commute to work is eligible for a mass transit commuter discount.

A discount of the premiums paid for Part 4 and Part 7 coverages will be given to eligible policyholders who provide evidence of purchase of eleven monthly passes or tickets from a qualifying mass transit system during the automobile policy period. Refer to the Miscellaneous Rating Factors page for the applicable discount.

### **Eligibility**

The vehicle must be a private passenger vehicle as defined in Rule 27 and be classified as use class 10, 15, 17, 18, 20, 21, 25 or 26 for a minimum of eleven of twelve months of the policy year. In addition, the vehicle must not be driven to work or school ten days or more per month. A minimum of eight of the eleven monthly passes or tickets may be submitted, provided other evidence of purchase is submitted for the missing passes or tickets. The insurer shall collect all such passes and other evidence used by a policyholder to obtain the discount.

**Note:** If a policyholder purchases a pre-paid non-refundable annual pass and furnishes proof of such purchase, the discount will be applied to the current policy rather than the expiring policy.

### **Replaced Vehicles**

The discount will be computed on the basis of combined earned premium for Parts 4 and 7 provided the replacement vehicle otherwise qualifies for the discount. If the insured changes insurance companies and replaces the vehicle at the same time, the second company will be responsible for the discount provided the policy has been in effect six months or more.

### **Application of Discount**

A discount applies to Part 4 and 7 premiums for each eligible vehicle. If there is only one eligible operator with more than one vehicle, the discount applies to the vehicle with the higher combined premium. If the policy insures only one vehicle, but there are two or more eligible operators, the discount only applies once. If two or more vehicles and operators are eligible for discount, the discount is first applied to the vehicle which develops the highest combined premium for Parts 4 and 7, and then in descending order to the vehicle with the lowest combined premium.

This discount is fully earned and returnable directly to the policyholder unless the policyholder directs that the discount be applied as a credit to premium charges for a renewal policy or it is used to offset undisputed outstanding premium due the insurer.

### **MCY Rider Training**

Motorcycles subject to the Compulsory Law are eligible for a 10% discount if the principal operator has completed an approved motorcycle rider training program. The discount applies to Parts 1, 2, 3, 4, 5, 6, 7, 8 and 12

### **Multicar**

An individual (or lawfully married individuals residing in the same household), who owns two or more automobiles and purchases coverage from the same company for at least two such automobiles, is entitled to a premium reduction applicable to Coverage Parts 1, 2, 4, 5, 7, 8 and 9. At least two of the automobiles must be private passenger vehicles, except that vehicles classified as antiques are not eligible.

### **Six Years Clean**

A discount applies if the vehicle is rated with 99 MRB points.

### **Student Away**

Discount is given to students who live more than 100 miles from home. If an operator on the policy is a student residing at least 100 miles away at school **without** a vehicle, then that driver receives a discount. The driver must be licensed less than 6 years and their occupation must be "Student."

This discount only applies to Private Passenger Type vehicles.