September 26-29, 2024 | Sheraton Boston Hotel



09/28/2024 Your Questions, Our Answers -Massachusetts Personal Automobile Coverage 11:15 AM - 12:15 PM Irene Morrill 1 CEU

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Your questions, our answers Massachusetts Personal Auto



with Irene Morrill, CPCU, CIC, ARM, CRM, MLIS, CRIS, LIA, CPIW Insurance Consultant Massachusetts Association of Insurance Agents

This program is designed to provide accurate and authoritative information in regard to the subject matter covered. It is provided with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional service. If legal advice or other expert assistance is required, the services of a competent professional person should be sought.



With special thanks to the Automobile Insurers Bureau for advance information, continued support, and permission to use their forms and information. UM/UIM and excluded operators

Could an insured's child collect UM/UIM coverage if they are excluded as a driver on the parents' auto policy?



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UM/UIM and excluded operators

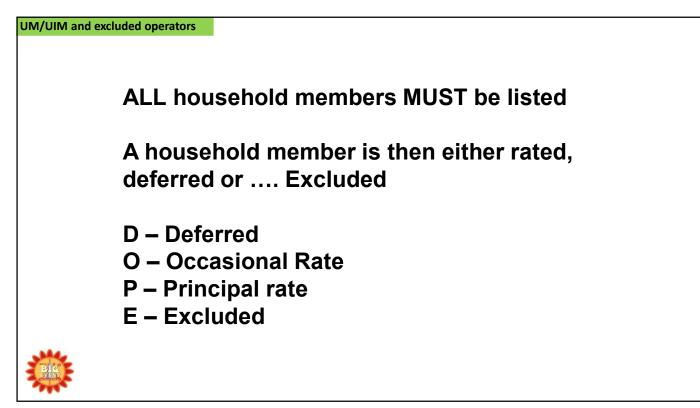
The insured is "required" to identify all customary operators as well as "household members" on the application

Application states:

Furnish information for the applicant and each individual who customarily operates the auto(s) whether or not a household member. Your failure to list a household member or any individual who customarily operates your auto may have very serious consequences.

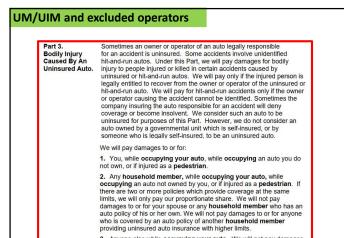
Renewal application states:

Your failure to list a household member or any individual who customarily operates your auto may have very serious consequences.



UM/UIM and excluded operators	MASSACHUSETTS ENDORSEMENT - M-0106-S	
	Operator Exclusion Form	
	It is agreed that the person named below will not operate the vehicle(s) described below, or any replacement thereof, under any circumstances whatsoever.	
The 2008 operator exclusion	Excluded	
endorsement states the excluded	Operator	
operator drives then company can	Vehicle Description	
• • • •	Vehicle	
deny ALL optional coverages and	Description	
restrict Parts 3 and 4 to what is	I am aware that under the terms of my Massachusetts Automobile Insurance Policy, if I, or someone on my behalf, provide false, deceptive, misleading or incomplete information	
required to be offered per MA law	in any application or policy change request, and if such false, deceptive, misleading or incomplete information increases the company's risk of loss, the company may refuse to	
which means	pay claims under any or all of the Optional Insurance Parts of this policy. Such information includes the description and the place of garaging of the vehicles to be	
Part 3 20/40	insured, the names of all household members and customary operators required to be listed and the answers given for all listed operators. Payments under Parts 3 and 4 may	
•	also be limited to those amounts that the company is required to sell.	
Part 4 \$5,000	In addition, I am aware Massachusetts law requires that the company withhold payment of a Collision or Limited Collision loss if the insured auto is being operated by a	
	household member who is not listed as an operator on my policy. Payment is withheld when the household member, if listed, would require the payment of additional premium	
	on my policy because the household member would be classified as an inexperienced operator or would require payment of additional premium on my policy under the Merit	
If excluded operator doesn't drive the	Rating Plan.	
•		
vehicles from which they are excluded	Date Policyholder's Signature	
then the exclusion doesn't apply		
EIG	Date Excluded Operator's Signature	
247 C	[Ed. 04-08]	

UM/UIM and excluded operators	MASSACHUSETTS ENDORSEMENT - M-0106-S
The 2017 operator exclusion	Operator Exclusion Form
endorsement also states the excluded operator drives then company can deny ALL optional coverages and restrict Parts 3 and 4 to what is required to be offered per MA law which means	It is agreed by the insurance company, the policyholder, and the person named below (the Excluded Operator) that the Excluded Operator will not operate the vehicle(s) described below, or any replacement thereof, under any circumstances whatsoever. Excluded Operator Vehicle Description Vehicle Description
Part 3 20/40 Part 4 \$5,000	The policyholder and the Excluded Operator understand and agree that the insurance company will not pay under the optional insurance parts of the policy for any injury or damage arising out of the operation or use of the described vehicle(s) by the Excluded Operator.
If excluded operator doesn't drive the vehicles from which they are excluded then the exclusion doesn't	The policyholder and Excluded Operator understand and agree that this Operator Exclusion Form will continue in full and effect in any subsequent renewal or replacement of the policy until the policyholder and the insurance company withdraw this form in writing.
apply	Date Policyholder's Signature
BIC	Date Excluded Operator's Signature (Ed. 02-17)



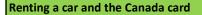
 Anyone else while occupying your auto. We will not pay damages to or for anyone else who has an auto policy of his or her own. We will not pay damages to or for anyone who is covered by an auto policy of another household member providing uninsured auto insurance.

Caused By An Underinsured Au	injured or killed as a result of craftin accidents caused by someone who does to.not have enough insurance.
	We will only pay if the injured person is legally entitled to recover from the owners or the operators of all underinsured autos. Such injured person has a claim under this Part when the limits for auto bodily injury liability insurance covering the owners and operators of the legally responsible autos are:
	1. Less than the limits shown for this Part on your Coverage Selections Page; and
	2. Not sufficient to pay for the damages sustained by the injured person.
	We will pay damages to or for:
	1. You, while occupying your auto, while occupying an auto you do not own, or if injured as a pedestrian.
	2. Any household member, while occupying your auto, while occupying an auto not owned by you, or if injured as a pedestrian. If there are two or more policies which provide coverage at the same limits, we will only pay our proportionate share. We will not pay damages to or for your spouse or any household member who has an auto policy of his or her own. We will not pay damages to or for anyone who is covered by an auto policy of another household member whouling underinsured auto insurance with higher limits.
	3. Anyone else while occupying your auto. We will not pay damages to or for anyone else who has a Massachusetts auto policy of his or her own. We will not pay damages for anyone who is covered by an auto policy of another household member providing underinsured auto coverage.

Sometimes an owner or operator of an auto legally responsible for an accident

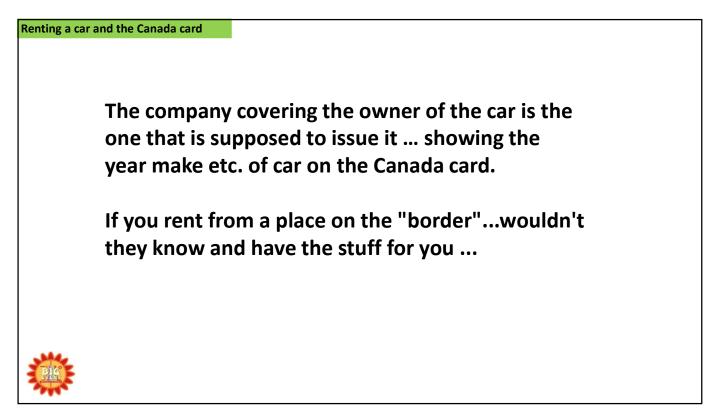
Under both UM and UIM a household member can be an insured under parents' policy if they don't have a MAP in their own name Both coverages can apply at limits on parents' policy if excluded operator not driving a vehicle from which he is excluded

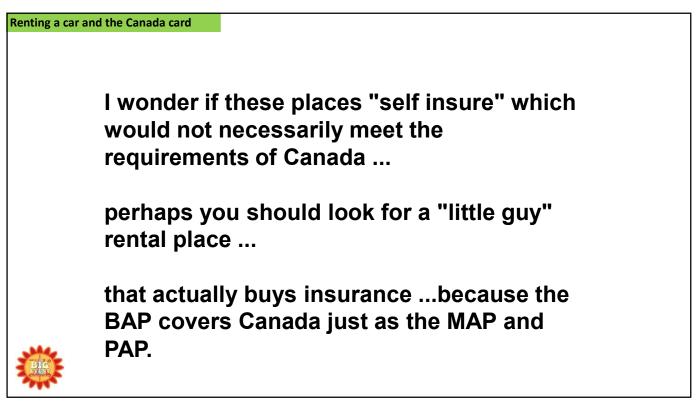
Part 12.



My insured is renting a car in Seattle to take to Canada, can I issue a Canada Card for him





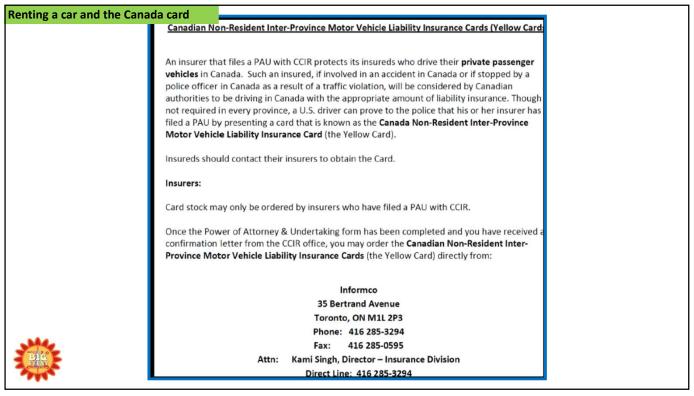


Renting a car and the Canada card			
	CAMBRIDGE PROPERTY & CASUALTY SPECIAL REPORT		
	INTENDING TO DRIVE INTO CANADA?		
Obtain	and Carry Evidence of Automobile Insurance Coverage Before You Leave		
	t van metrin by Konselle F. Hale, T.D., CPCU, A.M., LIC. Yu. Hale is Charama of Contrology Property & Consolty and an a particle law in the State of Michigan. He can be contexted at 734-525-2112 or Kinleijsendrelipope cont. More Special is at Vero conductive process.		
of adequate i	S. citizens driving into Canada overlook the mandates of Canadian here requising proof motor vehicle lability instrumer for individual driving in Ganada. Proof that a U.S. red in Canada is not typically evidenced on the standard "proof of instrume" instruct by		
U.S. traveleo requiring chir	s planning to drive in Canada must be aware of and comply with Canadian laws en to show poorf of adequate motor vehicle liability insurance.		
Does this an Canada? Not	an that an entirely new policy of insurance must be purchased prior to traveling in necessarily.		
Gaundy Tavit Stating Wast Grands. U.S.	where increases comparise nonlinedly the which Constalling architecture of the is known as a finded herber brease of the first fractional length of the original state of the isosanare company potenties is instantial that there their private posseque vehicles in companies which have completed the filling can then is sure a Canadar Mourniked Inte- tor 1 data Labelity Cant to their instances that are driving into Canada for poord of comp.		
provincial 3	the intend to drive into Canada but do not have a Ganadian Non-resident Inter- fotor Vehicle Liability Card should contact their insurance company to obtain the rit at all times while driving in Canada.		
in involved in U.S. dvier d fixed for du	ves as exidence of insumance coverage if the traveler is stopped by law enforcement or an accident while during an Canada. If a law enforcement official determines that the sets on law the traveler moment can the direct is at a ket of being wing in Canada without adoptata insunance, or even having his or har vehicle all proper coverage is obtained.		
	prefile information may be obtained from the Canadian Council of Invanase http://www.ccir-cerns.org/CCIR/pan/NEW%20PAU/index.en.htm		
	There may be additional requirements for commercial v responsibility requirements for commercial vehicles var in Canada, please contact the individual province http://www.ccircera.org/CCIR/pau/NEW%20PAU/	y. If you plan to drive a commercial vehicle or territory for additional information:	
ELC:	This Special Report is not intended to serve as a precise statem drivers in Canada. The information contained within this article specific legal advice. The intent of this article is to make the rea- resident drivers in Canada.	is general in nature and is not intended to serve as	

Renting a car and the C	Canada card Canadian Auto ID Cards
Au	athor: Bill Wilson
0	"I have a customer who is driving into Canada. In the past she's received a Canadian ID card from the insurer, but I recall being told that these are no longer needed as long as you have an ID card with the NAIC code on it. When a U.S. citizen is visiting Canada and driving his or her own vehicle, what proof of insurance must s/he carry? Is the non-resident inter-province card still required?"
4	One of our faculty members posed this question to the Insurance Bureau of Canada in March 2015 and got the following response via email:
	A U.S. traveler in Canada is required to carry a motor vehicle liability card, plus vehicle ownership papers. A copy of e automobile policy is recommended to be carried. And a Canadian Non-Resident Inter-provincial Motor Vehicle Liability and is strongly recommended.
me	ne Canadian Non-Resident Inter-provincial Motor Vehicle Liability Card is proof of that your USA auto policy liability limits eet the minimum requirements for each / all Canadian provinces and territories and that your coverage extends to Canada and territories.
Ca	S. travelers who do not carry a Canadian Non-Resident Inter-provincial Motor Vehicle Liability Card and are stopped by nadian police or are in an accident while driving in Canada risk being fined or having their vehicle impounded until proof of oper coverage is obtained.
We	e trust this information is of assistance to you.
Sin	ncerely,
	on Mather atario Consumer Information Officer
T: TF: dm	surance Bureau of Canada 416.362.2031 7: 800.387.2880 nather@ibc.ca
BIC	

ng a car and the Canada card	
	This certifies that the party named herein is itilized approximat labitizy for
CANADA NON-RESIDENT INTER-PROVINCE MOTOR VEHICLE LIABILITY INSURANCE CARD CERTIFICAT D'ASSURANCE - AUTOMOBILE RESPONSIBILITÉ	 body injury and properly demage the reason of the operation of the indefinition body injury and properly demage by reason of the operation of the indefinition vehicle described hereast in an amount not less than the statutory minenum requirements of every province of Canada.
NMEANDADRESS OF INSURED NOW PROVED AND TRADMENTE PAGENCIES OF INSURED	WARNING-Any person who issues or produces a card to show that there is in force a policy of insurance as indicated herein that is in fact not in force is lightly to a heavy line endor imprisonment and his feature may be
VENURED VEHICLE - YEAR, WARE ISERAL NO. VENCELE AGE/RE - MARQUE, SÉRE	 Supported. This card should be carried in the insured vehicle for production as proof of insurance when domanded by police.
EFFECTIVE DATE DATE DISTRICTION DATE DEDUCTION DATE DEDUCTION	E De ceptifical atteste que la peneinne eusinomène est assurée contre la responsabilité pour bieseurse et dominages aux biens décoular de l'esage du vehicule puéçrit, conformament aux exigences mínime des lois et assurance en viguer dans chacune des provinces candinienses.
POJCY NUMBER - POLCE NUMERO ACENT	AVERTISSEMENT - Quiconque émet ou présente un tel cartificat comme
NAME AND ADDRESS OF INSURANCE COMPANY. INON ETADRESSES OF LA COMPANIE CAROLINAVCE	I we depend out councils shake intraction reaching thing forts struction and



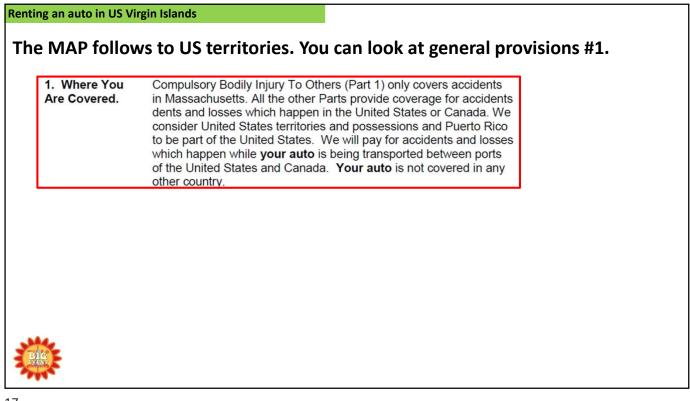


Renting an auto in US Virgin Islands

A client is travelling to the US Virgin Islands (a US territory) and asks if the coverage on his MA auto policy would cover a car rented there.

If it does, are there any concerns about doing this?





Renting an auto in US Virgin Islands	Part 4 Damage to someone else's property
	(requires two sentences) the first coupled with another:
	Under this Part, we will pay for damage or destruction of the tangible property of others caused by an accident and arising from the ownership, maintenance, or use of an auto, including loading and unloading We will pay only if you, a household member , or someone else using your auto with your consent is legally responsible for the accident.
	We will not pay for property damage which occurs:
	7. When the property damage is caused by anyone using an auto <u>without the</u> <u>consent of the owner.</u>
2016 MAP	Part 5 Optional Bodily Injury Under this Part, we will pay damages to people injured or killed in an accident if you or a household member is legally responsible for the accident and such accident arises out of the ownership, maintenance, or use of an auto by you or the household member.
	This Part is similar to Compulsory Bodily Injury To Others (Part 1). It pays for accidents involving your auto in Massachusetts and <u>does not pay for the benefit of anyone using an auto without the consent of the owner.</u>
	 Part 6 Medical Payments We will also pay for expenses resulting from bodily injuries to you or any household member if struck by an auto or if occupying someone else's auto at the time of the accident. We will not pay for expenses resulting from injuries to: 4. Anyone injured while occupying an auto without a reasonable belief that he or she had the consent of the owner to do so.
BLC BERT	Part 7 Collision Under this Part, we will pay for any direct and accidental damage to your auto caused by a collision. We will also pay for collision damage to other private passenger autos while being used by you or a household member with the consent of the owner.

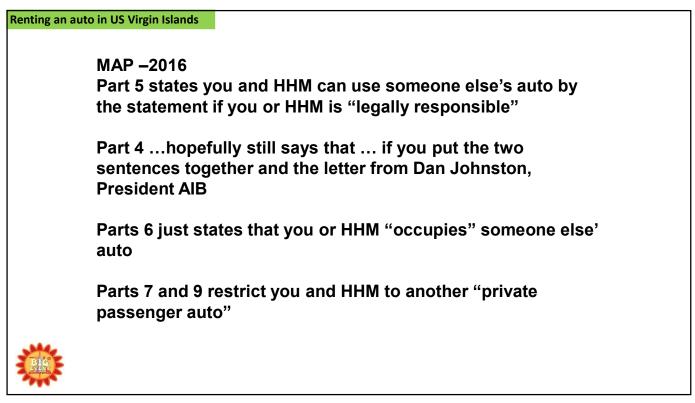
Renting an auto in US Virgin Islands

2016 MAP

Part 9 Comprehensive

Under this Part, we will pay for direct and accidental damage to or loss of **your auto** other than damage caused by **collision**. We will also pay for such damage or loss to other private passenger autos while being used by you or a **household member** with the consent of the owner.





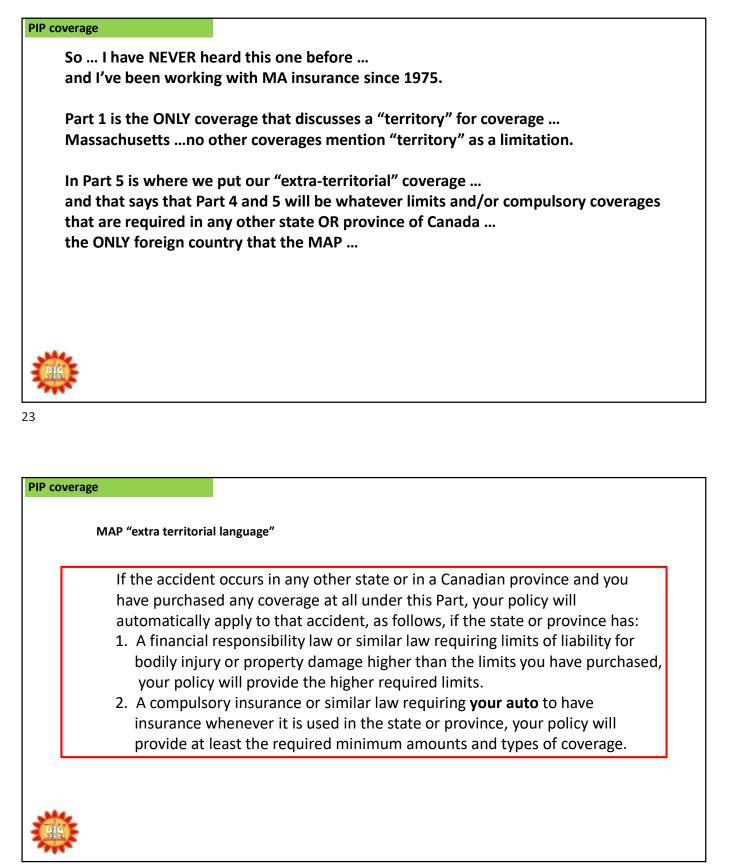
Renting an auto in US Virgin Islands

Whether renting in MA or St Thomas the policy only pays ACV and does not pay loss of use if rented vehicle is damaged.

I would suggest purchasing the "loss waiver" assuming it "absolves the insured of all damage cost issues".

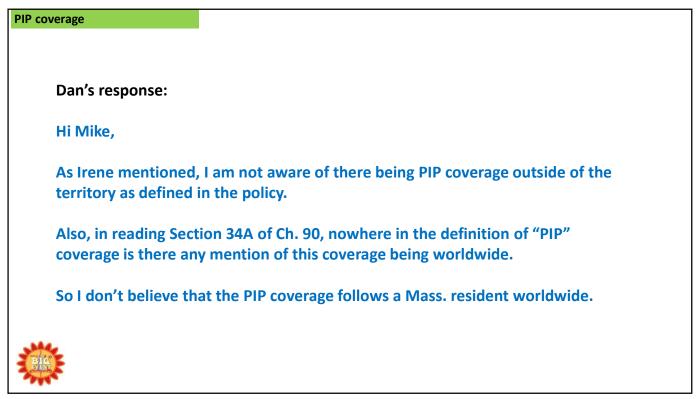


especially teen	on about the 2008 auto policy. We typically remove drivers, a drivers when they study abroad because the auto policy will not de the US, Canada and blah blah you know the rest.
	riers that uses the 2008 version is saying the driver needs to remain PIP coverage is worldwide.
	g in the PIP section about a coverage territory and the territory is as stated below.
Am I missing so	omething?



ere You Compulsory Bodily Injury To Others (Part 1) only covers accidents
in Massachusetts. All the other Parts provide coverage for
accidents and losses which happen in the United States or Canac
We consider United States territories and possessions and Puerto Rico to be
of the United States. We will pay for accidents and losses which happen while
your auto is being transported between ports of the United States and
Canada. Your auto is not covered in any other country.
 2008 – 2016 or any other edition since 1975 works in USA, USA
•
territories and possessions and Puerto Rico. The only foreign
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territories and possessions and Puerto Rico. The only foreign

IP cov	rerage and a second s
	PIP as discussed under MGL 90 S.34 is a state right even if one doesn't have a MAP but
	I have never heard of it working outside of policy territory. I know it can follow you and "household members" outside of MA but w/in policy territory and it will even apply to MA residents you hit as a pedestrian outside of MA but if I'm run down by a car in London, EnglandI don't think so.
	I'm sending this to Dan Foley, Esq., MAIA's Legal Consultant Dan, does MA PIP follow MA residents – worldwideeven though the MAP only goes to "Canada"?
BIC	¥



Question on deferring

We're having a bit of an internal debate in the office.

Some of our carriers will get a much better rate when we "un defer" or rate mom and dad (assuming their 99's) from a kid's policy.

They're both insured with us on another policy.

Am I missing something here?

Why would we not do this?

Is there a coverage issue?

In the past it hasn't affected the rate either way so we have always just deferred.



Question on deferring

Kathy Cormier responded:

No, you are not missing anything. This is competition at it's finest.

Adding or removing can affect the tier rating of the policy and every company has their own rules on tiering.

This happened to someone I know...

she was with Company X and removed her son because he got married and moved out of the house and her rate went up...

made no sense...but it was tiering.

She ended up adding him back because he would drive her car on occasion.



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Question on deferring

My response:

Managed competition created such a mess that rating a policy is almost impossible because there are so many facets to the "rate".

One agent told me she was experimenting with a client's policy because they had been quoted by a competitor.

She "undeferred" the household members and classified them as "occasional" even though they had their own policies where they were correctly rated as principal operators and found the parents rate went down.

Then she got a call from her underwriter saying this was "misrepresentation". That's when she contacted me. I said ...tell the underwriter to show you how this is "misrepresentation."



Question on deferring

Deferred does NOT mean that the person doesn't operate your vehicle at all ...that is "excluded operator".

Deferred is really the "olden days" way of making sure that classification and SDIP of a driver who IS correctly rated as principal elsewhere does NOT affect your policy.

I reminded the agent that if these "undeferred operators" get a motor vehicle violation or at fault accident then she would need to "defer" them again from parents' policy because if listed as occasional and parents policy came up before their policy ...the points could end up affecting parents.



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Question on deferring

I found it interesting that using MORE drivers was CHEAPER than LESS drivers ...

I would think the opposite ... in that the poor car never stops and the more it is used the more likely a "situation".

But, I've never understood the mind of an actuary

You learn something new every day!



Business class or BAP

I have a quick question for you. If a childcare provider, with a small in-home childcare facility, who wants to drive a few of her kids to the park some days, will that be insured on the PPV auto policy?

Do I rate this as a class 30? We write hundreds of in-home daycares and I get this question all the time.

They are not going to put livery plates on their cars or change to a commercial auto, and this would not be an everyday occurrence.

I just want to make sure they have coverage, as a business owner, driving a child to the park, or dropping them off at home. They would not be getting paid a separate fee for driving.

Would this be a MA rule? Or an individual company rule?



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Business class or BAP

The MAIP manual ...which is essentially what AIB wrote ... has the same definition of business class as it did when I was an agent:

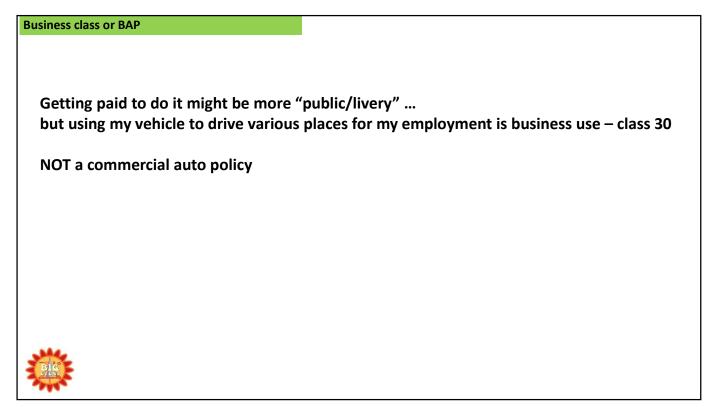
Business Use. The operator has been licensed at least six years and the automobile is used in the occupation, profession, or business of the insured. Going to or from the principal place of the occupation, profession or business of the insured is not considered business use.

Since the business is day care and the vehicle is used to drive to various places ... I would classify vehicle as business use ...

I know it costs a bit more than it did a decade ago, but parents can be pretty particular about their prized little urchins and if there is an accident they will sue. It isn't worth a denial for failure to tell company of vehicle usage.



18. False Information.	If you or someone on your behalf gives us false, deceptive, misleading or incomplete information in any application or policy change request and if such false, deceptive, misleading or incomplete information increases our risk of loss, we may refuse to pay claims under any or all of the Optional Insurance Parts of this policy. Such information includes the description and the place of garaging of the vehicles to be insured, the names of all household members and customary operators required to be listed and the answers given for all listed operators. We may also limit our payments to those amounts that we are required to sell under the compulsory coverages of this policy.
19. Changes Which Affect Premium.	If the information contained in your application changes before this policy expires, we have the right to adjust your premium to reflect such changes You must inform us of any changes which may have a material effect on your insurance coverage or premium charges. This includes the description, ownership, type of usage and place of garaging of your auto It also includes the household members and individuals who customarily operate your auto .



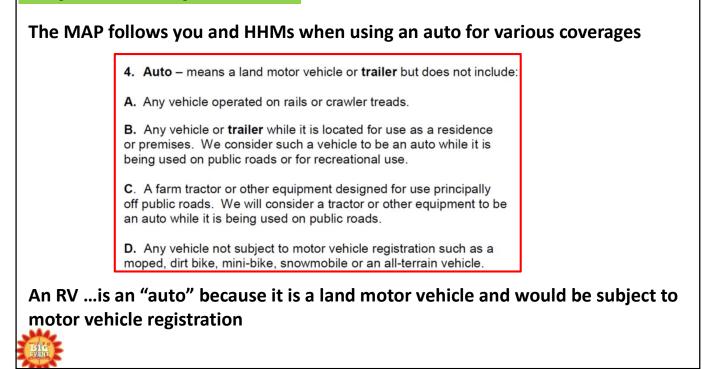
Renting an RV ..which coverages follow

Hi I have an insured, who is renting an RV, would their auto insurance cover that?



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Renting an RV ...which coverages follow



Renting an RV ...which coverages follow

Parts 4,5,6 talk about "auto"

Part 4. Damage To	Under this Part, we will pay for damage or destruction of the tangible property of others caused by an accident and arising from the ownership, maintenance,
Someone Else's Property.	or use of an auto, including loading and unloading. The amount we will pay is the amount the owner of the property is legally entitled to collect through a court judgment or settlement for the damaged property. We will pay only if you, a household member , or someone else using your auto with your consent is legally responsible for the accident. The amount we will pay includes, if any, applicable sales tax and the loss of use of the damaged property. The amount we will pay does not include compensation for physical damage to, or towing or recovery of, your auto or other auto used by you or a household member with the consent of the owner, or any decreased value or intangible loss claimed to
	result from the property damage unless otherwise required by law.



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Renting an RV .. which coverages follow

Parts 4,5,6 talk about "auto"

Part 5. Optional Bodily Injury To Others. Under this Part, we will pay damages to people injured or killed in an accident if you or a household member is legally responsible for the accident and such accident arises out of the ownership, maintenance, or use of an auto by you or the household member. We will also pay damages if someone else using your auto with your consent is legally responsible for the accident. The damages we will pay are the amounts the injured person is entitled to collect for bodily injury through a court judgment or settlement. We will not pay punitive or exemplary damages.

AIB says it MUCH better under Part 5 than Part 4 in the 2016 MAP ... but the issue is that the MAP follows you and HHM when using an "auto" – an RV is an auto



Renting an RV .. which coverages follow

Parts 4,5,6 talk about "auto"

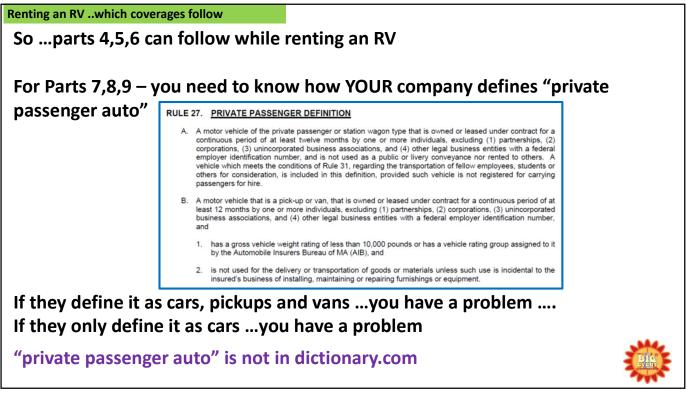
Part 6.Under this Part, we will pay reasonable expenses for necessary medical andMedical Payments. funeral services incurred as a result of an accident.

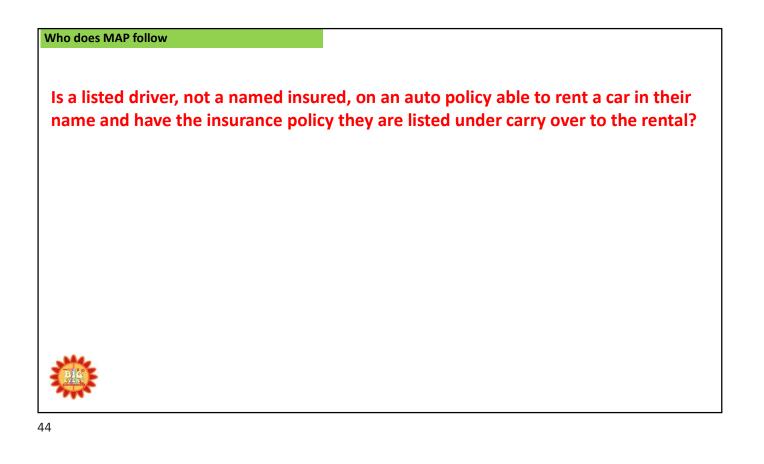
We will pay for expenses resulting from bodily injuries to anyone **occupying your auto** at the time of the accident. We will also pay for expenses resulting from bodily injuries to you or any **household member** if struck by an auto or if **occupying** someone else's auto at the time of the accident.

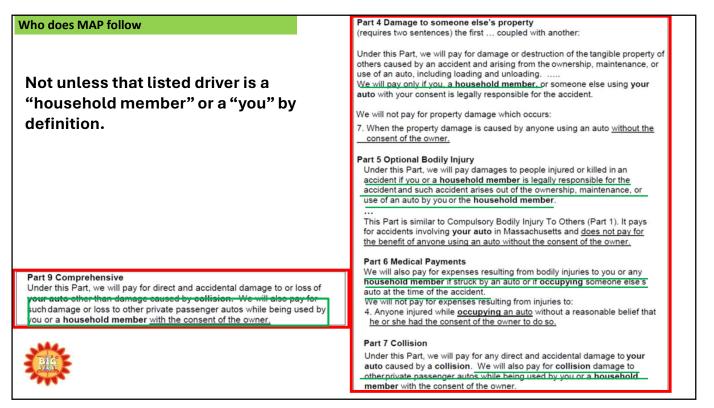
Part 6 says ...occupying any auto ...which an RV is



Part 7. Collision.	Under this Part, we will pay for any direct and accidental damage to your auto caused by a collision . We will also pay for collision damage to other private passenger autos while being used by you or a household member with the consent of the owner. It does not matter who is at fault. We will pay the cost to repair the auto or any of its parts up to the actual cash value of the auto or any of its parts at the time of the collision . We will not pay for any decrease in value claimed to result from the loss. The most we will pay will be either the actual cash value of the auto or the cost to repair the auto is limited to the prevailing competitive price, which is the price we can secure from a licensed repair facility conveniently located to you. Unless you have purchased agreed amount coverage, actual cash value of the auto will be determined at the time of the loss. Actual cash value may include an adjustment for depreciation and betterment and for the physical condition of the auto. We will, at our option, repair the auto, repair or replace any of its parts, or declare the auto a total loss. If the repair of a damaged part will impair the operational safety of the auto we will replace the part.
Part 9. Comprehensive.	Under this Part, we will pay for direct and accidental damage to or loss of your auto other than damage caused by collision . We will also pay for such damage or loss to other private passenger autos while being used by you or a household member with the consent of the owner.







- /	is a requirement to avoid "false information"
18. False Information.	If you or someone on your behalf gives us false, deceptive, misleading or incomplete information in any application or policy change request and if such false, deceptive, misleading or incomplete information increases our risk of loss, we may refuse to pay claims under any or all of the Optional Insurance Parts of this policy. Such information includes the description and the place of garaging of the vehicles to be insured, the names of all household members and customary operators required to be listed and the answers given for all listed operators. We may also limit our payments to those amounts that we are required to sell under the compulsory coverages of this policy.
9. Changes Which ffect Premium.	If the information contained in your application changes before this policy expires, we have the right to adjust your premium to reflect such changes You must inform us of any changes which may have a material effect on your insurance coverage or premium charges. This includes the description, ownership, type of usage and place of garaging of your auto It also includes the household members and individuals who customarily operate your auto .

NOT provide coverage when that listed operator is driving another auto ...unless the listed operator is a "household member" by definition



Our insured owned a 2001 Mercedes registered to a trust.

On 3/18/2024, he transferred that plate onto a 2008 Mercedes he owns and registered/insured it in his personal name with Company X.

I asked our carrier, Company Y, to cancel the 2001 Mercedes' coverage effective 3/18/24 and they declined.

They want to cancel the coverage effective the date on which the new owner of the 2001 Mercedes titled that auto, 4/23/24 "because the coverage follows the vehicle not the registration."

Do you agree with their position?



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Company won't cancel policy

Kathy Cormier, CPPL, MAIA's RMV expert ...went online and obtained the following

Dear

Why did you receive this correspondence?

Please be advised that the registration for the 2001 MERZ S430 SEDAN was inactivated on 18-Mar-2024. This letter is being issued in place of a registration cancellation receipt.



Should Company Y now agree to cancel the coverage on the date of the PRR, 3/18/2024 ,or does the coverage, indeed, follow the auto not the plate?

If the latter, what if the insured did not sell his 2001 Mercedes, but just left it in his garage instead intending to register it at a later date.

In that case, Company Y would not allow us to cancel the coverage ever.



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Company won't cancel policy

My response:

With what Kathy sent ... maybe they'll back date ... or maybe not.

The policy kind of does both ... follow plate and vehicle.

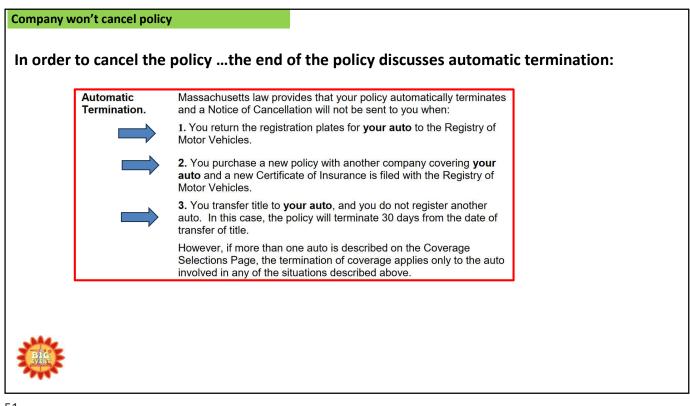
The definition of "your auto" starts out with:

5. Your Auto – means:

A. The vehicle(s) described on the Coverage Selections Page.

So if the vehicle is on a Coverage Selections Page then it is covered ...short of an applicable exclusion.





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The plate was "inactivated" from the trust name ...but the vehicle wasn't removed from the policy – the vehicle was not sold/re-registered in person's personal name on the date the plate was deactivated from the Trust .

If the vehicle is on the dec page and was driven ...without a plate ...the carrier would have to pay the claim because none of the above had happened.

You could suggest that automatic termination states that coverage terminates 30 days after you sign title over to someone and do not register another vehicle - which would put cancellation somewhere around 4/18 ...which isn't that far off of the 4/23 date when that vehicle was actually registered to another person.



Thank you, Irene & Kathy, for going out of your way to provide such a thorough explanation.

We will let Company Y cancel on April 23rd because attempting to persuade them otherwise will only "burn" more of our time with little chance of changing the underwriter's mind.



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Binders and the MAP

We provided an insurance binder for a customer who is buying a new car.

We did it for 7 days.

The bank wants the binder to be for 30 days.

We've always done them for 7 days subject to vehicle registration.

I guess other agents are doing it for 30 days.

Can we do an insurance binder for longer then 30 days on a newly purchased vehicle?



Binders and the MAP

There is no MA law regarding length of binder ... what I can say is that the MAP will NOT consider this vehicle a "your auto" unless the insured has taken title to the vehicle:

5. Your Auto – means:

C. A private passenger auto, trailer, motorcycle, pick-up truck, van or similar vehicle, to which you take title or lease as a permanent replacement for a described auto or as an additional auto. We provide coverage for an additional auto only if you ask us to insure it within seven days after you take title or the effective date of the lease.

If a replacement or additional auto is a pick-up truck, van or similar vehicle, it must not be used for the delivery or transportation of goods or materials unless such use is incidental to your business of installing, maintaining or repairing furnishings or equipment.

If this is an additional auto the insured needs <u>to request coverage</u> w/in 7 days ... or coverage ends.



...

Binders an	d the MAP		
	-	ement vehiclethe insured has lost possession of of the policy states:	one on the dec
	Automatic Termination.	Massachusetts law provides that your policy automatically terminates and a Notice of Cancellation will not be sent to you when:	
		 You return the registration plates for your auto to the Registry of Motor Vehicles. You purchase a new policy with another company covering your auto and a new Certificate of Insurance is filed with the Registry of Motor Vehicles. 	
		 3. You transfer title to your auto, and you do not register another auto. In this case, the policy will terminate 30 days from the date of transfer of title. 	
		However, if more than one auto is described on the Coverage Selections Page, the termination of coverage applies only to the auto involved in any of the situations described above.	
SER.	The policy on dec pa	v discusses 30 daysbut it is from the date lost po ge	ossession of vehicle

Binders and the MAP

On the binder one should always state that "coverage becomes effective upon transfer of title/COI" as that IS what the policy states.

Technically the bank should not be asking for something that is not officially in the policy as the MA COI law applies to binders also.

Sometimes when purchasing a used vehicle from a dealership the dealership might not have the title is its "hot little hand" ... which can be problematic if you have guaranteed something to the bank that is not in the policy.



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Binders and the MAP

Agent responded

This is an additional vehicle (not a replacement). We are waiting to hear back from the company to confirm if we can do 30 days. We've always done 7 days and never had any issues with the banks. For some reason, this credit union is making it difficult

My response:

You did the right thing ... ask the company ...you can get one of two answers ... Even the national auto policy doesn't provide 30 days automatic coverage



Binders and the MAP

Agent responded

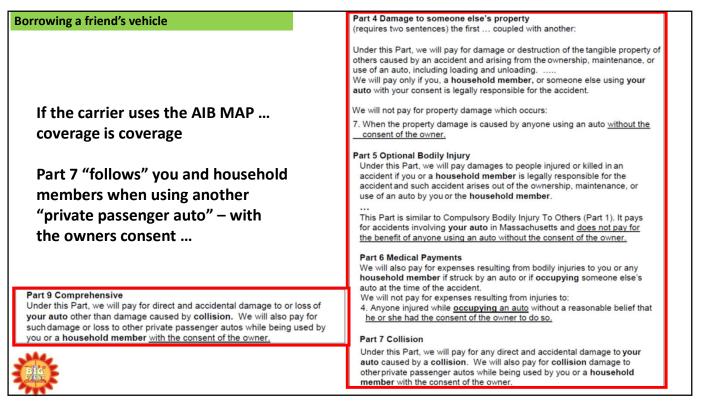
Just an FYI, the Company will allow 14 days (kind of an odd number) for the binder. 1st underwriter was unsure and had to check with another underwriter

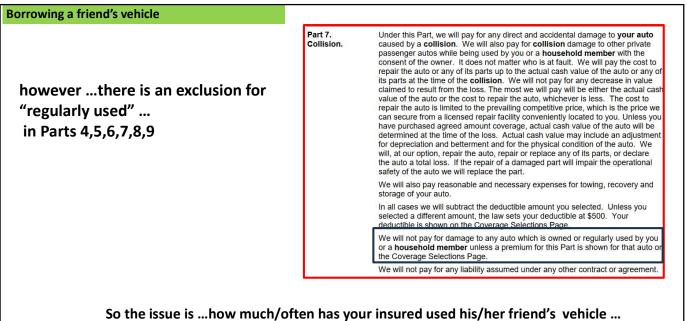
My response: 14 days is what the national auto policy states ... At least someone read the policy



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Borrowing a friend's vehicle I had an insured that was driving a friend's vehicle that does not have Collision coverage and was in an At-Fault accident and vehicle was totaled. Had a similar situation with a different client back in 2020 and their carrier was able to pay the damage the vehicle thru the driver's PL Auto policy by "Float Coverage" My insured has a different carrier than the prior mentioned issue that initially has denied the claim. Is the use of "Float Coverage" if you have Collision on your own MAP standard or is it discretionary to the carrier





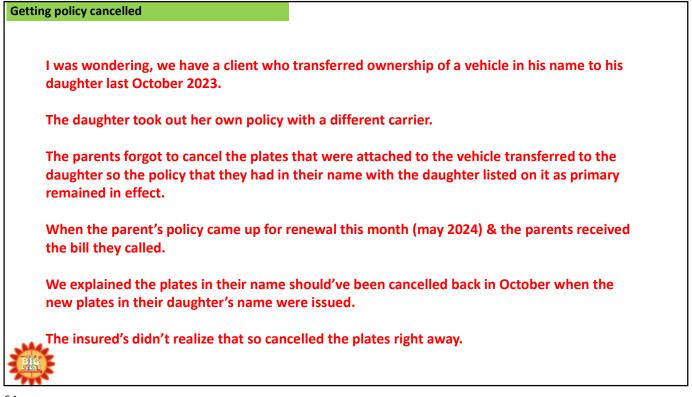


So the issue is ...how much/often has your insured used his/her friend's vehicle ... there is no "magic" formula ... but I would want to see coverage denial from company ... and the reason they are denying Borrowing a friend's vehicle

After various discussions with company

Company paying claim ... it's a total loss ...agent hopes the friend will be happy with the total loss settlement





Getting policy cancelled

We requested that Company Z cancel the policy that was in the parents name with the Jeep that was given to the daughter back to Oct 24th as that was the date she obtained a new registration & insurance policy in her own name.

We provided proof of the new registration in the daughters name for that vehicle, new title information & a copy of the policy in her name as well showing coverage was in place Oct 24th for the same vehicle.

Company Z said they will not cancel the policy in the parents name for that vehicle back to last October because "had the plate been put on another vehicle they would've honored the claim".

Do you know if it is ok for Company Z to decline to cancel the policy back to 10/24 where there was double coverage?



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Getting policy cancelled So ... does the carrier have to backdate to the date they sold the vehicle to their daughter ... who did register and insure elsewhere ... no ... if the insured (parents) had gotten a policy in their name elsewhere then the answer would be yes. Was the carrier correct in saying "since the plate was open we'd have to pay a claim" ...well ...not exactly. If Company Z uses the AIB MAP then the following is part of the policy – at the end of the policy after the cancellation provision comes the Automatic Termination provision

If Company Z uses the	Automatic Termination.	Massachusetts law provides that your policy automatically terminates and a Notice of Cancellation will not be sent to you when:
AIB MAP, then the following is part of the		 You return the registration plates for your auto to the Registry of Motor Vehicles.
policy – at the end of the policy after the		 You purchase a new policy with another company covering your auto and a new Certificate of Insurance is filed with the Registry of Motor Vehicles.
cancellation provision comes the Automatic		3. You transfer title to your auto , and you do not register another auto. In this case, the policy will terminate 30 days from the date of transfer of title.
Termination provision		However, if more than one auto is described on the Coverage Selections Page, the termination of coverage applies only to the auto involved in any of the situations described above.

So ... technically if the insured had purchased another vehicle w/in 30 days of selling vehicle on dec page to their daughter then the MAP should apply.

But ... it states that coverage for that vehicle and any "replacement" should terminate 30 days after sale.



Why don't you try that argument with the insurance carrier?



Getting policy cancelled

Agents response

We looked & Company Z DOES write this auto policy on the AIB MAP...

The parents of the insured have their own policy with another company so the only vehicle on the Company Z policy was the one car that was transferred into their daughter's name with another insurance policy.

We pointed this area of the policy contract out stating that if it is the only vehicle, the policy should be terminated 30 days after & the underwriter still states had something happened they would've responded to the claim despite the fact the insured had a primary policy in her name with another auto carrier.

He said he feels "the Division of Insurance would agree with him" & allow them not to cancel the policy back to when the ownership was transferred to the daughter & a new policy was taken out.



Getting policy cancelled

Agents response

There was no accident & the daughter's policy would've been primary had a fictious accident that didn't happen happened.

I don't understand how he can not read the facts in the policy language & not do the right thing.

Do you have any advice on how to move forward? Is there a contact at the Division of Insurance who could interpret this as well that we could tell the underwriter we checked with?

I'd hate to have the insured file a complaint with them, I would just like Company Z do the right thing. I know in the past many other carriers would back date the cancellation, I don't know why this underwriter is being so stubborn.



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Getting policy cancelled

The problem with an insurance policy is that it is a "contract" ... interpretation is key.

I wonder if the claims department has the same "interpretation" of the policy as this underwriter ...who is very "lenient" ...

I'm not sure I agree with the underwriter's interpretation of what the MA DOI would say ... but ... there is one way to find out.

The following is how the insured can make a consumer complaint:

https://www.mass.gov/how-to/filing-an-insurance-complaint



Getting policy cancelled

They can ask for a hearing ...assuming they want to go in ... perhaps if the company receives the complaint they will just back cancel as the policy says is allowed and actually ...says that the company would have a right to say "no coverage".

If they do get a hearing ... I don't know if they are still zoom or if they have to go in ...you could give them the policy information and then they could see.



misrepresentation

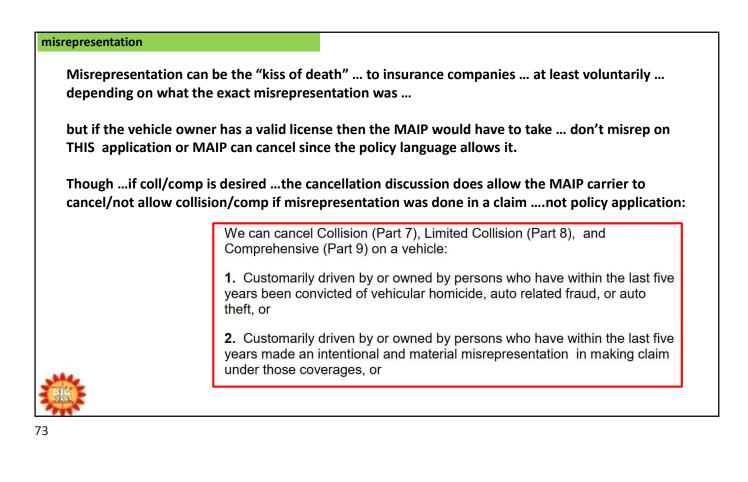
This has never come up in the 35 years I've been an agent, until now.

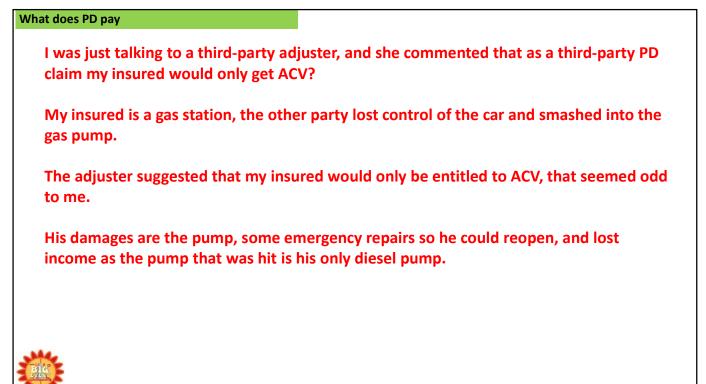
I have a MAIP customer whose auto policy is being cancelled for misrepresentation.

Will she have a problem getting insurance, if I putting her through MAIP, again?

Do you know if a cancellation like this has any bearing on one's credit?







What does PD pay

Whether it is the MAP/BAP/CGL/HO ... liability pays what the insured is legally responsible for ... or what the damaged party is entitled to collect.

Loss of use IS very much covered ... for a business ...it would be lost business ...if I damage your car ...it would be cost of rental of comparable vehicle.

I think years ago ...R/C was paid in property claims ...but then adjusters realized ...hey ... If my client hits your car ...I don't buy you a new one. Book value is essentially ACV payment ...

The actual physical damage paid is "like kind and quality" ...putting you back to where you were the second before the loss ...which is ACV ...



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What does PD pay

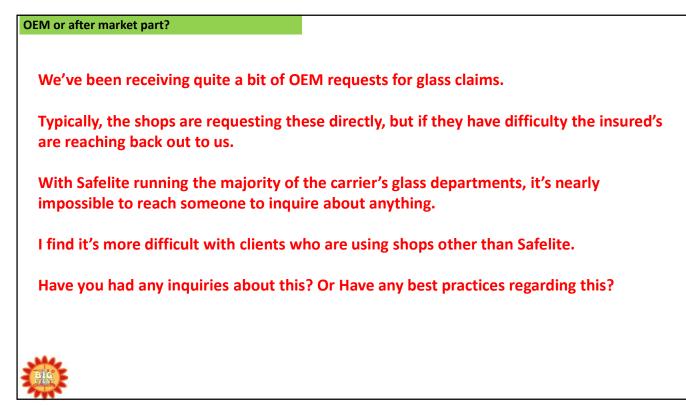
Should everything be depreciated by the same amount ... no ... newer parts of building are depreciated less.

But replacement cost is "new for old" and that is not what the at fault party is responsible for.

In MA ...all property damage claims can go to small claims court ...which means one doesn't need a lawyer. Taking out the small claims paperwork against the guilty party who then sends to his/her insurance company ...can get a few more dollars out of the insurance company – or maybe threatening it ... but R/C probably won't be paid ...that is an option that I can buy in my first party property coverage.

If I make a first party claim ...my insurance company can subrogate ...but they will only get ACV

https://www.mass.gov/info-details/small-claims-court



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OEM or after market part? Repair of the vehicle is MA is governed by MGL 211 133 133.04: Determination of Damage and Cost of Repair (1) Appraisers shall specify that damaged parts be repaired rather than replaced unless: the part is damaged beyond repair, or the cost of repair exceeds the cost of replacement with a part of like kind and quality, or the operational safety of the vehicle might otherwise be impaired. When it is determined that a part must be replaced, a rebuilt, aftermarket or used part of like kind and quality shall be used in the appraisal unless: (a) the operational safety of the vehicle might otherwise be impaired; (b) reasonable and diligent efforts to locate the appropriate rebuilt, aftermarket or used part have been unsuccessful: (c) a new original equipment part of like kind and quality is available and will result in the lowest overall repair cost; (d) for vehicles insured under policies written on or before December 31, 2003, the vehicle has been used no more than 15,000 miles unless the pre-accident condition warrants otherwise; or. (e) for vehicles insured under policies written or renewed on or after January 1, 2004, the vehicle has been used no more than 20,000 miles unless the pre-accident condition warrants otherwise

OEM or after market part?

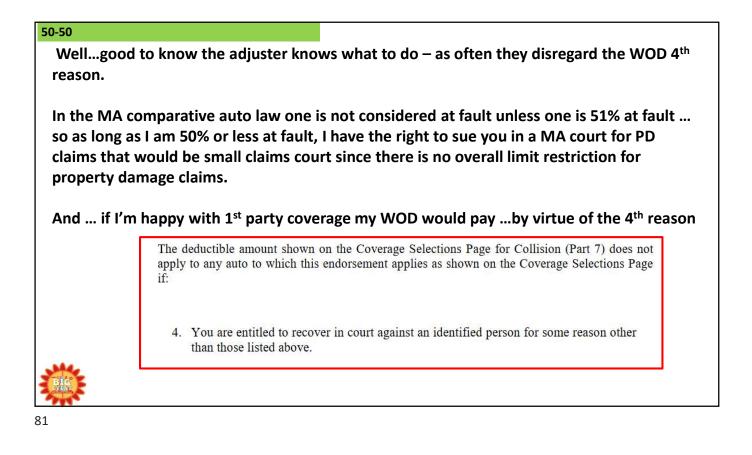
Unless the vehicle has less than 20,000 miles, I don't see the possibility of OEM glass Per 211 CMR 133 and also the adjuster law regarding ascertaining damage.

An insured can always pay the difference between OEM and aftermarket parts.



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50-50		
I have a questionwhen a claim is se	t to 50/50I thought that everyone pays their	
deductible and uses their policy to pay for their own damages.		
(I understand stuff happens behind the scenes for subro etc. and that if our insured		
didn't have rental the other party insurance would pay half the rentalyadda yadda)		
However, I heard an adjuster tell a client that she would not have a deductible because		
in 50/50 claims the ded is waived bec	ause they are not found "at-fault"	
	ssed with 20 years of insurance experience (1.5	
years of that in this claims role) to not	t know that. Thanks!	
BIC		



50-50		
It irritates me when carriers disregard this reason		
So the company would pay the loss in fulland then subrogate against other carrier and		
get 50% of what paid outand other c	arrier would do the same.	
Incurance is constant learning. When I	started my career in the agency doing claims. I had	
-	started my career in the agency doing claims, I had	
•	to me and teach me. Kemper claims in Andover	
was awesome.		
We'd get together every couple of mon	ths for "drinks" and discussionpurely for the good	
of my clients 😊		
-		
BI C BUENY		
Parts -		

C/C/C or not

Insurance never ceases to amaze me and I'm hoping you can weigh in on this very strange scenario we've come across.

My Insured backed into his girlfriend's vehicle back in September of 2023.

They reside together, are listed on each other's policies but have two different insurance carriers.

We do not insure his girlfriend, only him. His company is declining to pay property damage. This makes no sense to me.

According to the claim adjuster she was ready to pay it and was told by her supervisor not to. Property damage should pay for the damage to his girlfriend's vehicle.



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C/C/C or not	A claim was reported to on 9/11/23. It was reported that you backed your 2019 Chevy Silverado into your ginfriend's 2019 Jeep Grand Cherokee in your home driveway. It was confirmed that Kelly Lourenco resides with you and that you are listed on her auto policy as a driver to the 2019 Jeep Grand Cherokee. Regrettable you policy does not provide property damage coverage for the 2019 Jeep Grand Cherokee: Part 4. Damage To Someone Else's <i>Property.</i> We will not pay for property damage which occurs:	This is a regular use exclusion applicable to a "household member which doesn't apply
h	4. While a household member is using an auto which you or any household member owns or uses regularly unless a premium for this Part is shown for that auto on the Coverage Selections Page. As a result we will be unable to address damages to the 2019 Jeep Grand Cherokee.	This reason to deny claim needs more explanation



Company interpretations never cease to amaze me. The AIB MAP has the following exclusion under Part 4

6, To an auto or other property owned by you or the legally responsible person. Similarly, we will not pay for damage to an auto or other property, except for a private residence or garage, which you or the legally responsible person rents or has in his or her car

If they are both named insureds on each other's policy then the "you" portion would apply. If I back into my significant other's auto ...and my policy is ONLY in my name ... I don't see that I damaged my property ... and is his/her car REALLY in my c/c/c????

Is the home in BOTH names - even still ... I think the claims adjuster was more right than the supervisor. If there is collision on the girlfriend's vehicle with WOD ...that company should pay in full and subrogate ...and I think they'll win.



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C/C/C or not

The reason the company gave to deny the claim makes NO SENSE since a "girlfriend" is NOT <u>a "household member" by definition</u>

9. Household Member – means anyone living in your household who is related to you by blood, marriage, or adoption. This includes wards, step-children or foster children.

If no collision or limited collision then she has the right to make a small claims court complaint

https://www.mass.gov/info-details/small-claims-court

She files paperwork against boyfriend ...boyfriend gets paperwork and then sends to the company...see what they do



C/C/C or not

Agents response

The home is only in his name and they do not own the vehicles jointly so they both have individual auto policies, not listed as joint named insured but both listed as drivers on each other's policies as required by MA law.

I don't see how the exclusion can apply in this case.

I would want the company to prove that they each regularly use the other's vehicle

I don't see how allowing my SO to park in MY driveway puts HER car in my C/C/C ...but ... what do I know.....

And a girlfriend is not a "household member" and their reason to deny makes no sense



You can argue ... or her company can argue ...or small claims court

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Insurance still in force?

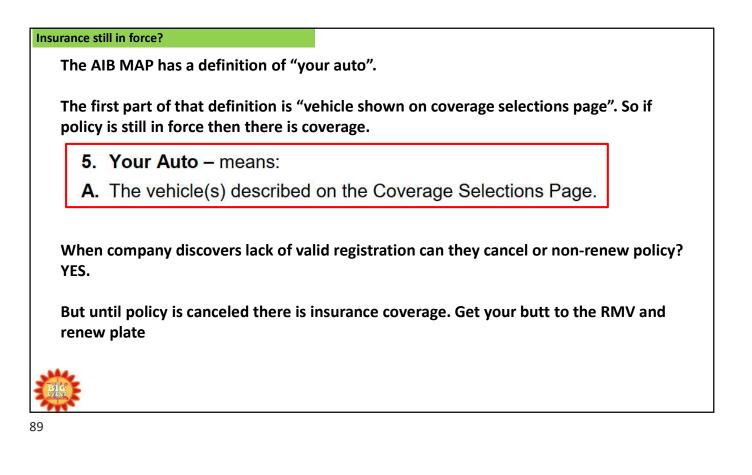
My lovely daughter moved to NYC last August and left her car behind and apparently we take care of everything for ever (inspections, insurance, registration...)

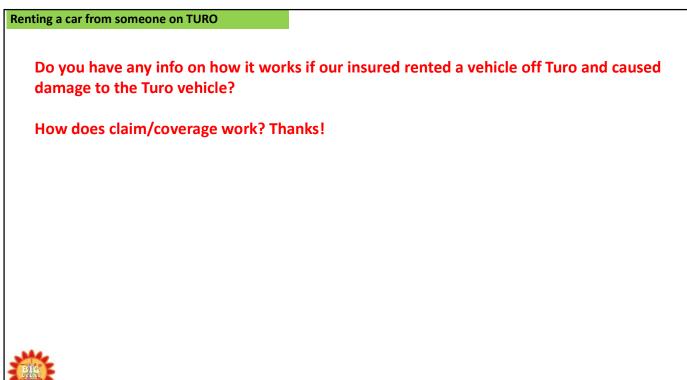
Well, someone did not renew the registration from last Spring. I've driven the car maybe 5 time since then? My wife too.

If insurance and registration go "hand to hand" then there was no coverage this whole time?

If correct, why can't I get my insurance premium back?









Renting a car from someone on TURO

If the insured rents or borrows a vehicle for a short period of time (so no regular use exclusion issues) then the MAP would apply just as it would if one borrows a car or rents from hertz

Parts 4,5,6,7,9 state that the owners insurance MUST pay before we pay ...

We know that it must be a "private passenger auto" for parts 7 and 9 to apply

If the person who put their car up on TURO has a Map or a PAP ... then there would be NO coverage for "car sharing" ...

MAP 2016 builds in the exclusion and the national PAP has an endorsement that I would bet most companies use.



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Renting a car from someone on TURO

It could be a bit "time consuming" ... but eventually the 2016 MAP of the person renting the vehicle should apply.

Of course, Parts 7 and 9 only pay ACV ... and no diminished value.



