October 22-25, 2026 I Sheraton Boston Hotel

MAIA'S BIG EVENT 2026

Conference & Trade Show

Celebrating Independence!

10/24/2026
11:15 am - 12:15 pm

Coverage vs. Effective Date 2026

Coverage vs. Effective Date

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When is it Covered

- **When does coverage begin? (2016 MAP)**
- If it's a new policy, coverage begins when you take application. For an existing policy, the policy says:
  - **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 re-placement 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.

When is it Covered

- **When does coverage begin? (2016 MAP)**
- So, it is insured! Coverage for a newly-acquired replacement or additional auto is “automatic” under the definition of “YOUR AUTO”.
- But how long does coverage stay in effect if YOU don’t know a vehicle exists?
- To figure that out, lets take a look at how insurance ENDS.

When is it Covered

- **When does coverage End? (2016 MAP)**
- Cancellation of this policy is something you should ordinarily have no reason to worry about.
- You can cancel any of the Optional Insurance Parts at any time by giving us or your agent at least 20 days written notice. Because all of the Compulsory Insurance Parts are required, you cannot cancel any of them separately. You can, cancel all of the policy by giving us or your agent at least 20 days written notice.



When it is Covered

- **When does coverage End? (2016 MAP)**
- Will a company cancel when requested by the insured in writing?
- A company MAY cancel, but MA Law prohibits a company from returning unearned premium without a plate return receipt. Most companies will NOT cancel the policy without a PRR.



When is it Covered



- **When does coverage End? (2016 MAP)**
- Here is the language from M.G.L. Ch. 175, § 113A (2) which says in part:
  - "The company shall not issue a return premium upon cancellation of the policy until the insured has presented to the company a receipt or other document showing that the number plates assigned to the insured motor vehicle have been returned to the registry of motor vehicles; provided however, that a company shall return a premium upon cancellation of the policy to an agent or broker or premium finance company without said receipt."

When is it Covered

- **When does coverage End? (2016 MAP)**
- **Cancellation:**
- **We can cancel all or any part of this policy including your Compulsory Insurance if:**
  1. You have not paid your premiums.
  2. We find that you were responsible for fraud or material misrepresentation when you applied for this policy or any extension or renewal of it.
  3. The driver's license or auto registration of you, or any person who resides in your household and usually operates an auto insured under this policy, has been under suspension or revocation during the policy period.
  4. You fail to comply with a request for a safety inspection test for a vehicle for which total damage has been paid.



When is it Covered

- **When does coverage End? (2016 MAP)**
- **Automatic Termination**
- Massachusetts law provides that your policy automatically terminates and a Notice of Cancellation will not be sent to you when:
  1. You return the registration plates for **your auto** to the Registry of Motor Vehicles.
  2. 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.



When is it Covered

- **When does coverage End? (2016 MAP)**
- Clearly, if you (the agent) are unaware of the newly-acquired replacement vehicle, coverage for that vehicle will be in effect for 30 days, at which time the policy (or coverage for that vehicle if a multi-car policy) will automatically terminate. Once you are aware of the vehicle, the policy will continue to expiration, unless cancelled for some other reason.

When is it Covered

- **But what about the additional auto? When does coverage begin and end for that vehicle?**
  - The policy says: "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."
  - So, clearly, there IS coverage for the vehicle for seven days.
- **But what coverage does that vehicle get?**
  - There are several schools of thought on this issue. But a literal reading of the policy says...you have seven days to decide what coverages you want/need on the vehicle and ASK for them. Consequently, and insured COULD be requesting coverage AFTER the accident.

When is it Covered



- **Does it matter if there's a plate on it?**
  - Law enforcement officials care about what plate, if any, is on a vehicle, but the policy doesn't as long as it meets the definition of "your Auto."
- **So, When is it legal to attach the plate from your old vehicle to your new vehicle?**
  - The Seven-Day Law says: "A person who has attained 18 years of age and who transfer the ownership of a registered motor vehicle or trailer owned by him to another or who loses possession thereof and who intends to transfer the registration of such motor vehicle or trailer to a newly acquired new motor vehicle or newly acquired used motor vehicle of the same type and having the same number of wheels, may subject to other provisions of this chapter, operate such newly acquired new motor vehicle or trailer or newly acquired used motor vehicle or trailer for a period beginning form the date of transfer until five o'clock post meridian of the seventh calendar day following the date of transfer..."

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When is it Covered

- **Consequently:**
  - You must be 18 years of age to use the seven-day law;
  - You must sell, trade or junk (i.e. no longer OWN) your "old" car; and
  - The "old" and "new" vehicle must qualify for the same plate type.
- **In addition:**
  - Day "one" of the seven-day period is the day you sign over title of your "old" vehicle to someone else; and
  - The title to the new vehicle must have been signed over to you; and
  - You must carry a copy of the "bill of sale" (title or dealer purchase contract) in the vehicle; and
  - Your plate number must be written on the bill of sale or title.

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When is it Covered

❑**MAIA Update in MA Resident with Out-of-State Temporary Plates**

Ma is now Recognizing the use of OOS Temo plates for MA residents.

You need to educate your customers that MA only allows 10-days to drive on the temp plate, and they must have taken title to the vehicle and carry proof of insurance. MA law requires that the new vehicle be titled in Massachusetts within 10 days of purchase.

So, If they took title and talked to you about coverage, there is coverage. They need to register the vehicle with a MA title and registration within 10 days. If the OOS temp plate is for longer (30,60, 90 days) they are only legal for 10.



When is it Covered

❑**MAIA Update in MA Resident with Out-of-State Temporary Plates**

Ma is now Recognizing the use of OOS Temo plates for MA residents.

You will also need to notify your carrier because if the vehicle is not registered in MA in a timely manner, the carrier will issue legal notice of cancellation on that vehicle. There are OOS dealer using runner services can take longer than 10 days to get the registration, in some cases 30+ days. If the dealer can send you the paperwork to process prior to the client picking up the vehicle it would be better as they can have a MA registration when driving home.



When is it Covered

❑**MAIA Update in MA Resident with Out-of-State Temporary Plates**

Ma is now Recognizing the use of OOS Temo plates for MA residents.

After 10 days, the customer is no longer legal for registration. If they continue to drive, they can be cited for unregistered/attaching plates, have the vehicle impounded with court costs, fines, and surcharges. The carrier can also cancel the policy as you must have a MA registration to keep a MA policy. They would have to park the vehicle and hopefully, it will not get stolen or have a tree fall on it if the policy gets cancelled.

Case Studies



1. Your customer calls you on Monday to let you know that he is buying a new car. On Friday, he will trade in his old car and pick up his new car. The dealer faxes over the paperwork on Tuesday. The customer will have a bank loan, and the dealer is asking for a binder so that the bank will release the check for the car and a stamp on the RTA.

   a. **What date do you put as the effective date of coverage on the binder?**
      i. Monday
      ii. Friday
      iii. Coverage becomes effective upon transfer of title

Case Studies



1. Your customer calls you on Monday to let you know that he is buying a new car. On Friday, he will trade in his old car and pick up his new car. The dealer faxes over the paperwork on Tuesday. The customer will have a bank loan, and the dealer is asking for a binder so that the bank will release the check for the car and a stamp on the RTA.

b. What date to you put as the effective date of the policy change on the RTA?

i. Since you have to send the stamped RTA back within two hours, you should stamp it on Tuesday with Tuesday's date.

ii. You should return the paperwork within two hours, but the effective date of change should be Friday when your customer is picking up the vehicle. If you stamp it with Tuesday's date, the dealer can register the new vehicle and the old vehicle (which the customer is still driving) will be unregistered.

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Case Studies



1. Your customer calls you on Monday to let you know that he is buying a new car. On Friday, he will trade in his old car and pick up his new car. The dealer faxes over the paperwork on Tuesday. The customer will have a bank loan, and the dealer is asking for a binder so that the bank will release the check for the car and a stamp on the RTA.

c. When does coverage on the new vehicle become effective?

i. Coverage becomes effective when the vehicle is registered.

ii. Coverage becomes effective when the vehicle is delivered.

iii. Coverage becomes effective when the customer takes title to the vehicle.

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Case Studies



- Why??? The definition of your auto provides that YOUR AUTO is the "vehicle described on the coverage selections page" or "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."

  The policy provides coverage AUTOMATICALLY, whether or not you know about it or have stamped the RTA

Case Studies



1. Your customer calls you on Monday to let you know that he is buying a new car. On Friday, he will trade in his old car and pick up his new car. The dealer faxes over the paperwork on Tuesday.
   The customer will have a bank loan, and the dealer is asking for a binder so that the bank will release the check for the car and a stamp on the RTA.

   d. When may the vehicle be added to the policy?
   - i. The date the customer takes delivery.
   - ii. The date the title or certificate of origin is signed over to the customer.
   - iii. The date the vehicle is registered.

Answer 2 is the correct answer, but check with your companies to see what date they want to use? Some want to use the date title is assigned, others want to u se the date you stamp it, and still others want to use the date its registered. Whatever date they use, remember, coverage takes effect when the title is assigned.

Case Studies



2. Your customer attended a customer appreciation celebration at a local dealership over the weekend. He purchased a new vehicle, and the dealer made a "spot" delivery of a brand new vehicle on Saturday. He is trading in his vehicle, which had Parts 1-6. He arrives at your agency bright and early on Monday morning in the new vehicle with his plates on it. When does coverage become effective on the new vehicle?

   a. On Saturday when he took title to the new vehicle.
   b. On Monday when he stopped by your office on the way to the Registry.

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Case Studies



3. What coverage does the new vehicle have?

   a. Since he has a loan, physical damage coverage is automatically added.
   b. Since the new vehicle is a permanent replacement for the vehicle listed on the coverage selectins page, all he gets is whatever was on the old vehicle – in this case Parts 1-6.

NOTE: At lease three companies are using the countrywide PAP which automatically adds physical damage coverage if needed.

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Case Studies



4. Suppose he decides to keep his old car for his daughter who will get her license next year? He has parked the old car out back and put his plates on the new car. Is the new vehicle insured?

   a. Yes
   b. No

Case Studies



5. Is it a permanent replacement or an additional auto?
   a. Permanent replacement
   b. Additional auto

6. If it's insured, how long is it insured for?
   a. 7 days
   b. 10 days
   c. 30 days

Case Studies



7. If it's insured, what coverage does the new vehicle get if the vehicle he's saving for his daughter has only Parts 1-6?

   a. Parts 1-6
   b. Collision and Comprehensive would automatically be added.
   c. He would have seven days to decide what coverages he wants.

Case Studies



8. Your customer goes to California on vacation with his motorhome. On the way back form the west coast, he stops in Illinois to pick up his brand-new motorhome at the manufacturer. The manufacturer doesn't accept trade-ins but will place the old motorhome in one of the local dealerships on consignment. The manufacturer tells your customer it's perfectly legal to put the plates on the new motorhome and drive it back to Massachusetts.

   Is the new motorhome registered?

   a. Yes, he can legally drive the new vehicle on the plates for seven days.
   b. No, he can't attach the plates until the transfer has been processed at the RMV because he did not lose possession (ownership) of his old vehicle.

Case Studies



9. Suppose at the last minute your customer decides he can get a better price for his old motorhome if he sells it privately back in Massachusetts. He decides to have his wife drive the old motorhome back home and he will drive the new motorhome with temporary Illinois plates.

   Is the old motorhome registered?

   a. Yes
   b. No

Case Studies



9. Suppose at the last minute your customer decides he can get a better price for his old motorhome if he sells it privately back in Massachusetts. He decides to have his wife drive the old motorhome back home and he will drive the new motorhome with temporary Illinois plates.

   Is the old motorhome insured?

   a. Yes
   b. No

Case Studies



9. Suppose at the last minute your customer decides he can get a better price for his old motorhome if he sells it privately back in Massachusetts. He decides to have his wife drive the old motorhome back home and he will drive the new motorhome with temporary Illinois plates.

   Is the new motorhome registered?

   a. Yes
   b. No

Case Studies



10. If it's insured, what coverages does it have?

a. Massachusetts compulsory coverage only
b. The broadest coverage currently available on the existing policy.
c. The same coverages as the other motor home.
d. He has seven days to request the coverage he wants.
e. Since a motor home is not a private passenger auto, trailer, motorcycle, pickup truck, van or similar vehicle, coverage is NOT automatic. Your insured must ASK for the coverage before it is insured.

Case Studies



11. Is it okay to attach temporary Illinois plates to the motorhome for the trip home?

a. Yes
b. No

Case Studies



Bonus Question

If the OOS Temporary Plate shows that it is valid for 60 days, is your customer legally registered for that 60-day period?

No, Massachusetts recognizes use of an out-of-state temporary plate for 10 days only. Day 11 you are unregistered.

Case Studies



12. Is every state reciprocal with our seven-day registration transfer law?

    a. Most states are reciprocal, check the reciprocity chart.
    b. Every state is not reciprocal, but you only get in trouble if you get caught.

Case Studies



13. Your customer's son, a 17-year-old new driver, is buying his dad's old BMW. He sold his old junker to his best friend. Can he use the seven-day registration law to put his plates on the new vehicle until he gets his next paycheck in two days?

    a. Sure, he can put his plate on the BMS and drive it for up to seven days from the date he signed over the title to the junker.
    b. No, you must be 18 to use the seven-day transfer law.

Case Studies



14. If your client's son puts the plate on his car and hits the neighbor's mailbox while backing out of the driveway, will his policy cover the loss?

   a. Even if the vehicle is not legally registered, if there is an existing policy and he has taken title to the new vehicle, his policy will respond.
   b. The policy will respond for property damage, but not for comprehensive and collision if the vehicle is not registered.
   c. There is no coverage if the vehicle is not registered.

Case Studies



15. The boy who bought the junker knows that he can't attach the plates to it because he still has his old car. He decides he'll wait until dark to drive the vehicle home so he won't be spotted by the police. The boy is not accustomed to a standard transmission, and he smashes the junker into a fence, damaging the fence and the junker. His old vehicle is actually owned by his father and is listed on his dad's policy. Is he covered?

   a. Yes, dad's policy will respond because he's not old enough to buy a car.
   b. No, he's not because he owns the junker, and there is no policy in his name.

Case Studies



16. Would your answer be different if the boy who bought the junker owned and insured his old vehicle in his own name?

   a. No, the policy would not respond because the vehicle is not registered.
   b. Yes, the policy would respond, but only with compulsory coverages.
   c. Yes, the policy would respond, but there would be no collision coverage because he doesn't not carry collision on his existing vehicle.
   d. Yes, this vehicle would be considered an additional vehicle, and he has seven days to decide what coverages he wants.

Case Studies



17. Your customer sees the car of his dreams on a used car lot in the next town. He goes in to talk to the salesperson. The salesperson explains that they just took the car in trade and have sent a check to the bank to payoff the former owner's loan. He further explains that he'll take your customer's car in trade, and he can legally drive the new vehicle with his plates attached as long as he is carrying a copy of the dealer purchase contract. Is that true?

   a. Yes, you can attach your plate to a vehicle you intend to purchase for a period of seven days.
   b. No, you may only attach your plate to a vehicle you have taken title to as a permanent replacement for a vehicle you have sold, traded in, junked or have legally lost possession or in some other way.

Case Studies



18. The dealer explains until the title comes in, he'll have to come to the dealership every Monday morning to get a new bill of sale so he can continue to legally drive the vehicle with his plates attached to it. Is that correct?

a. Yes
b. No

It's important to note that it is ILLEGAL for a dealer to deliver a vehicle without assigning the title to the new owner at the time of delivery. See Registration & Title Policy Update link in the Appendix.