

## **Commonwealth Automobile Reinsurers**

### **Rules of Operation**

#### **Rule 6 - Coverages**

Policies of an Eligible Risk as defined in Rule 2 written by a Servicing Carrier of CAR may provide for private passenger motor vehicles, and shall upon request provide for commercial motor vehicles, coverage up to the following limits.

#### **A. Private Passenger**

For private passenger motor vehicles registered in the Commonwealth of Massachusetts:

1. Bodily Injury Liability: Total policy limits of \$500,000 each person, \$500,000 each accident;
2. Personal Injury Protection: \$8,000 per person, per accident;
3. Property Damage Liability: Total policy limits of \$250,000 each accident;
4. Medical Payments: \$25,000 each person;
5. Uninsured Motorists: \$500,000 each person, \$500,000 each accident for bodily injury;
6. Underinsured Motorists: \$500,000 each person, \$500,000 each accident for bodily injury;
7. Physical Damage Insurance, which shall mean: (a) collision coverage or limited collision coverage, (b) fire and theft coverage, or (c) comprehensive coverage, as those coverages are defined in the Massachusetts Motor Vehicle Insurance Policy. Servicing Carriers must charge the extra risk rate as promulgated by the Commissioner of Insurance or, in the alternative, refuse to issue collision, fire, theft or comprehensive coverage under the following circumstances:
  - a. Comprehensive, fire and theft or collision coverage on a vehicle customarily driven by or owned by persons convicted within the most recent five year period of any category of vehicular homicide, auto insurance related fraud or motor vehicle theft;

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A. Private Passenger (continued)

- b. Comprehensive, fire and theft or collision coverage on a vehicle customarily driven by or owned by persons who have, within the most recent five year period, made an intentional and material misrepresentation in making claim under such coverages;
- c. Collision coverage on a vehicle customarily driven by or owned by persons who have been involved in four or more accidents in which such person has been deemed to be at fault in excess of fifty percent within the three years immediately preceding the effective date of the policy;
- d. Comprehensive or fire and theft coverage on a vehicle customarily driven by or owned by persons who have had two or more total theft or fire claims within the three years immediately preceding the effective date of the policy;
- e. Comprehensive, fire and theft or collision coverage on a vehicle customarily driven, or owned by persons convicted one time within the most recent three year period of any category of driving while under the influence of alcohol or drugs;
- f. Comprehensive, fire and theft or collision coverage on any motor vehicle for which a salvage title has been issued by the Registrar of Motor Vehicles unless a new certificate of title has been issued pursuant to G.L. c.90D §20D ;
- g. Comprehensive, fire and theft or collision coverage on a high-theft vehicle which does not have at least a minimum anti-theft or auto recovery device as prescribed by the Commissioner of Insurance. The Commissioner may designate as a "high-theft vehicle" any vehicle, classified according to make, model and year of manufacturer, which has both above average incidence of theft and above-average original sales price, and may prescribe appropriate anti-theft or auto recovery devices for such vehicles;

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A. Private Passenger (continued)

8. A Servicing Carrier may waive the deductible amount applicable to a payment under comprehensive coverage for glass damage and be reimbursed therefore, where the insured has elected to repair rather than replace damaged glass when permitted by law and where satisfactory proof of the repair has been presented to the Servicing Carrier;
9. Towing and Labor: \$100.00 per disablement;
10. Substitute Transportation: \$100.00 per day, thirty day maximum.

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**B. Commercial**

For commercial motor vehicles except those expressly provided for in Rule 6, Sections C. through I, all coverages eligible to be written for private passenger vehicles as defined in Section A. above, subject to the limits specified therein, except that for the following coverages, risks eligible under this subsection shall be subject to the following limits:

1. For policies effective December 31, 2007 and prior:
  - a. Bodily Injury Liability: Total policy limits of \$1,000,000 each person, \$1,000,000 each accident;
  - b. Property Damage Liability: Total policy limits of \$500,000 each accident; or
  - c. Combined Single Limit for Bodily Injury and Property Damage Liability: \$1,000,000 each accident;
2. For policies effective January 1, 2008 and subsequent:
  - a. Bodily Injury Liability: Total policy limits of \$500,000 each person, \$500,000 each accident;
  - b. Property Damage Liability: Total policy limits of \$250,000 each accident; or
  - c. Combined Single Limit for Bodily Injury and Property Damage Liability: \$500,000 each accident.
3. Coverages requested by the applicant which are required by any financial responsibility law or State or Federal regulation as defined in Rule 2 - Eligible Risk.

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##### **C. Garage Insurance**

1. All coverages eligible to be written for private passenger motor vehicles and as defined in Sections B, 1 and B, 2 above; provided, however, that no garage policy may be ceded without the pollution exclusion endorsement MC 2516 attached to the policy;
2. All coverages required by any financial responsibility law or State or Federal regulation as defined in Rule 2 - Eligible Risk;
3. For garage dealer classifications written on a garage policy form, Operation Hazard Coverage and Premises Coverage as filed and approved pursuant to G.L. c. 175A; provided, however, that these coverages are eligible for cession only when written in conjunction with statutory coverages;
4. Automobile Dealers Physical Damage Supplement as defined in the Garage Liability Policy up to a limit not to exceed \$1,000,000 per named location;
5. Garagekeepers' Legal Liability coverage as defined within the endorsement on a legal liability or direct primary basis up to a limit not to exceed \$1,000,000;
6. Drive-Away-Collision coverage as defined within the endorsement to the Garage Liability Policy as filed and approved under the provisions of G.L. c. 175A.

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- D. Taxicab and Public Livery Coverages may be written by Servicing Carriers with Bodily Injury Liability and Uninsured and Underinsured Motorists limits not to exceed \$250,000 per person, \$500,000 per accident. Property Damage Liability limits may not exceed \$50,000 for any one accident.
- E. Policies written on a Gross Receipts basis may be written by a Servicing Carrier.
- F. Policies written on a composite rated basis may be written by a Servicing Carrier.
- G. Non-Ownership and Hired Car, liability coverage only, may be written by a Servicing Carrier either as a separate policy or in conjunction with a statutory Massachusetts Motor Vehicle Insurance Policy.
- H. Physical Damage coverage for damage to trailers under a trailer interchange contract may be written by a Servicing Carrier only when written in conjunction with motor vehicle liability coverage.
- I. Physical Damage coverage on repossessed motor vehicles shall not be written by a Servicing Carrier.

The term "accident" as used in the Rule shall mean "occurrence" when the coverage is written on such basis.