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Property & Casualty Insurance
Filing Guidance Notice 2008-F

TO: Insurers Intending to Make Motor Vehicle Insurance Rate Filings

FROM: Kevin Beagan, Dep. Commissioner and Dir, State Rating Bureau

DATE: August 15, 2008

RE: Anti-theft systems or devices that may be used to discount premiums for certain motor vehicles

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The purpose of this notice is to inform insurance companies and insurance company groups (collectively "insurers") who sell motor vehicle insurance policies about the Division of Insurance's ("Division") rate filing procedures for insurer rate adjustments to motor vehicle insurance premiums based on the presence of anti-theft systems or devices as authorized under G.L. c. 175, § 113B and G.L. c. 175E, §§ 4(d). Upon the repeal of 211 CMR 86.00, insurers may submit rate filings for future effective dates that make changes to the anti-theft discounts the insurer currently has on file with the Division. Such rate filings shall include actuarial support for such changes.

The Division has recognized, and will continue to recognize discounts for the anti-theft discounts and devices described in this notice. Other anti-theft systems or devices that an insurer finds should qualify for a discount under its rating plan may be filed in future rate filings along with all relevant statistical and actuarial support.

As used in this notice, the following words shall mean:

"Passive device or system" is an anti-theft system or device that is activated automatically when the operator turns the ignition key to the off position.

"Alarm," except where otherwise specified, is a horn, bell, siren or other sounding device which is audible at 300 feet.

"Tubular lock" is a type of lock whose key is cylindrically shaped and which has at least 50,000 combinations.

"Electronic lock or keyless device" is an electronic coding device that has more than 10,000 combinations. The combination used to unlock the device can be entered through a keyboard or similar data entry device or by means of a remote control device.

Qualifying Anti-Theft Systems or Devices

Anti-theft systems or devices that may qualify the comprehensive premium for a motor vehicle for a discount include those listed below.

(1) Ignition or Starter Cut-Off Switch in Combination with Flush or Tapered Door Lock Buttons

This device is an ignition cut-off switch (sometimes called a "kill switch") or a starter cut-off switch which is inserted into the ignition wiring of a motor vehicle. The switch is tripped upon leaving the motor vehicle and must be switched back in order to start the motor vehicle.

The switch must be installed so that it is not visible from the driver's position when the driver is seated. In addition, the motor vehicle must contain flush or tapered door lock buttons on all doors.

A sticker may identify the presence of this system.

(2) Ignition or Starter Cut-Off Switches

The ignition or starter cut-off switches either must be designed so that the wires leading from the switch to the engine compartment are protected by armored tubing or cable, or operate passively.

(3) Non-Passive, Externally-Operated Alarm

This is a non-passive warning alarm which is installed in a motor vehicle and can be set to go off if any door, the trunk or the hood is opened without first turning off the alarm by use of a key inserted in a lock mounted on the outside of the motor vehicle.

(4) Steering Column Armored Collar

This is a device similar to an oversized padlock which clamps on to the steering column over the ignition lock and prevents access to it. This device, upon being locked, prevents the

motor vehicle from being started, or if the motor vehicle is hot-wired and started, the device prevents it from being steered. No part of the device, when not in operation, is attached to the steering column. A sticker may identify the presence of this device.

(5) Steering Wheel Removal Lock

This device prevents steering movement of the motor vehicle from a parked position. This is a high security steering wheel lock assembly manufactured of hardened steel components, which allows removal of the steering wheel from the motor vehicle. The assembly is permanently attached to the motor vehicle's steering column and is located between the column and the steering wheel. Operation of the lock is controlled by a high security configured key. Unlocking the assembly will permit removal of the steering wheel from the motor vehicle. A fitted security plate is then inserted onto the lock assembly in place of the steering wheel and the lock's security key is then removed. Re-attachment of the steering wheel onto the lock assembly requires use of the security key to first remove the fitted security plate and then to attach the steering wheel. The security key can be removed from the lock assembly only after either the security plate or steering wheel has been locked into place.

(6) Non-Passive Fuel Cut-Off Device

This is a shut-off device which operates to block the fuel line when a switch is tripped or when the device is engaged by a key. The switch to open or shut off the fuel line must be well hidden from view.

(7) Non-Passive Steering Wheel Lock

This device prevents the steering wheel from turning. A steel collar and barrel, into which the shackle of a lock fits, are permanently attached to the steering post. The shackle, made of case-hardened alloy steel, fits over the steering wheel spoke and into the barrel. A tubular key operates the lock. The collar, barrel and shackle must resist cutting with a file. A sticker may identify the presence of this system.

(8) Armored Cable Hood Lock and Ignition Cut-Off Switch

This system is one which meets all the criteria of (17) below except paragraph (17)(a). Armor must be similar to that used in outdoor telephone booths; it must extend through firewall and be secured so as to prevent retraction.

(9) Window Identification System

A window identification system is one in which identification letters and/or numbers are etched by sandblasting, chemical process or other permanent marking into all the windows of the motor vehicle other than the small vent windows.

Provision must be made for immediate telephone identification of the owner of the motor vehicle any time of day or night.

A sticker may identify the presence of this identification system.

(10) Emergency Handbrake Lock

This device prevents the release of the emergency handbrake. The lock replaces the handbrake grip, and is permanently attached to the handbrake lever. The lock encasement must be all metal construction. The lock is released by entering a preset digital combination. A sticker may identify the presence of this device.

(11) Transmission Lock

The device prevents the motor vehicle from moving from a parked position by locking the gear shift. A steel encased lock is permanently attached to the floor of the motor vehicle by a steel stand. The shackle, made of case hardened alloy steel, fits around the gear shift and is inserted into the lock. The device must have a high security locking system with at least 50,000 combinations. The lock, shackle and stand must resist cutting and filing.

A sticker may identify this system.

(12) Passive Alarm System - This is an alarm system meeting some or all of the following criteria:

(a) Ignition must be cut off automatically, or starter must be disabled automatically.

(b) Alarm must be triggered by entry of doors, hood or trunk.

(c) Hood must not open unless unlocked from inside the motor vehicle by a key, or by an electronic keyless device.

(d) Alarm must sound for no more than eight minutes, and upon ceasing to sound, must reset itself.

(e) Alarm must not emit a pulsating, whooping, or yelping sound which would cause it to be mistaken for a modern police, fire or other emergency vehicle siren.

(f) Alarm must be installed in the engine compartment so as to be inaccessible without opening the hood.

(g) The system must be engaged passively by turning the ignition key to the off position. To disarm the system a tubular lock or electronic keyless

device must be used. The maximum time delay permitted to disarm the system after re-entry is twenty seconds.

(13) Passive Fuel Cut-Off Device

This fuel cut-off device is engaged by turning the ignition key to the off position. The driver must trip a switch to open the fuel line each time the motor vehicle is started. This device must meet the following criteria:

(a) The fuel line must be blocked when the power is off.

(b) The switch to open the fuel line must be well hidden from view, but accessible to the driver from the driver's seat. In the alternative a tubular key or an electronic keyless device may be used.

(c) A parking/service attendant override switch may be provided. It must be well hidden from view. It must not be accessible from the passenger compartment; alternatively, if the override switch is accessible from the passenger compartment, a warning buzzer must sound (or the operator must be distracted in some other way) while the engine is running and the override switch engaged. If the buzzer is disconnected, it must result in disconnection of the entire anti-theft system.

(d) Any under-the-dash wiring installed in connection with this device must blend in color with factory-installed wiring.

(14) Armored Ignition Cut-Off Switch

This device is a kill switch designed to resist tampering. To prevent hot-wiring of the motor vehicle, a protective cap is attached to the coil or starter solenoid. Such devices must meet the following criteria:

(a) Armored cable must run from a separate key to the coil, starter solenoid, or other engine component. Such cable must be similar to that used in outdoor telephone booths, collapse when cut, and preclude quick reconnection of the cut wire inside; alternatively, some other effective means of preventing defeat of the system by cutting the armored cable must be employed.

(b) The device must prevent hot-wiring of the motor vehicle.

(c) A separate lock must be of tubular type and must be installed inside the motor vehicle so as to facilitate use by the driver; alternatively, an electronic keyless device may be used in lieu of a lock if it does not take

significantly longer to engage the device than it takes to remove a key from a lock, and use of the system is otherwise facilitated.

(15) Passive Multi-Component Cut-Off Switch

This device is a kill switch activated when the ignition key is turned to the off position. It is designed to prevent hot-wiring of the motor vehicle. Such device must meet the following criteria:

(a) The primary wire to the ignition coil must be disconnected.

(b) The device must disconnect the starter.

(c) One or more wires to the electronic ignition system, or to the points and condenser must be disconnected and grounded to the chassis.

(d) The wiring must blend with factory-installed wiring, and the disconnecting/grounding wires must be routed to random points in the electrical system away from the components they affect.

(e) The control module, if separate from the electronic locking mechanism, must be hidden in the engine compartment or other part of the motor vehicle so that it is not easily detectable.

(f) In order to start the motor vehicle, a lock or electronic device must be used to deactivate the system. The lock must be of tubular type and must be installed inside the motor vehicle so as to facilitate use by the driver; alternatively, an electronic keyless device may be used in lieu of a lock if it does not take significantly longer to engage the device than it takes to remove a key from a lock, and use of the system is otherwise facilitated.

(16) Passive Time Delay Ignition System

This is a device which allows the motor vehicle to start only if the operator waits a prescribed time, which must vary from device to device in a range of three to twenty seconds, before moving the ignition key from “On” to “Start”. If the motor vehicle does not start, the operator must be required to wait at least ninety seconds before the device can be operated successfully on a subsequent try.

The device must be resistant to tampering; for example, if it is forcibly removed, reconnection of the electrical system must not be possible with a hot-wire device. Alternatively, the device must be installed with a hood lock operated by a tubular key.

(17) Armored Cable or Electrically Operated Hood Lock and Ignition Cut-Off Switch

This is a supplemental hood lock operated from within the motor vehicle which also cuts off the ignition when engaged. Such devices must meet the following criteria:

(a) Armored Cable Hood Lock

i. The hood lock cable must be armored by case hardened solid steel tubing designed to resist cutting; tubing must extend through firewall and be secured so as to prevent retraction.

ii. The system must be engaged by a push button or other device which facilitates use. The push button or other device must be installed within reach of driver when seated.

iii. No portion of the hood lock cable may be accessible so that it could be grasped from underneath the motor vehicle; and, if accessible through the grillwork, armor must extend to the locking mechanism.

(b) Electrically Operated Hood Lock

i. The hood lock is electrically operated and functions so that it remains locked even if the wiring operating the hood lock is cut.

ii. The system must be engaged passively by turning the ignition key to the off position. To disarm the system a separate key or electronic keyless device must be used.

iii. If the hood lock can be reached through the grill work or from underneath the motor vehicle, the hood lock must be shielded or armored so that it cannot be manually operated. The locks controlling the devices must be of tubular type or operate electronically.

(18) Passive, Delayed Ignition Cut-Off System

This electronic system disables the ignition circuit at a preset engine speed such that the engine cannot be restarted or hot-wired. Such device must meet these criteria:

(a) The ignition must cut off automatically as soon as the engine reaches a speed in the range of 1,500 to 2,000 RPM.

(b) The system must be automatically armed when the ignition key is turned to the off position.

(c) A push button or other type of disarm switch must be well hidden from view. The wiring must blend with factory-installed wiring if placed under

the dash. In the alternative, a tubular key or an electronic keyless device may be used.

(d) An alarm or horn shall be actuated at the same time the ignition is disabled.

(e) If a parking/service attendant switch is provided, a buzzer must sound all the time the engine is running. The switch must be hidden in a remote place.

(19) Passive Ignition Lock Protective system

This is a case hardened steel, protective cap which fits over the ignition lock so as to prevent extraction of the ignition lock cylinder. The cap fastens to a steel collar which fits around the steering post and over the ignition lock. The ignition key fits through a slot in the cap.

A sticker may identify the presence of this system.

(20) High Security Ignition Replacement Lock

This is a high security, case hardened steering column ignition lock, conforming to NHTSA Standard No. 114-1, which cannot be removed using a conventional slide hammer or lock puller equipment.

A sticker may identify the presence of this system.

(21) Hydraulic Brake Lock

This is a dash-mounted device which, when activated and pressurized with the brake pedal, maintains hydraulic pressure on the brakes at two or more of a motor vehicle's wheels so that the motor vehicle cannot be driven. The device must have a high security locking system with at least 50,000 combinations and a lock which cannot be pulled using a conventional slide hammer or lock puller equipment.

(22) Motor Vehicle Recovery System

This is an electronic unit installed in a motor vehicle that is activated after that motor vehicle is stolen. When activated, the device provides information to law enforcement officials or another public or private entity regarding the motor vehicle's location. The system provides for the routine delivery of the information to the appropriate law enforcement organization to assist in the recovery of the motor vehicle.

(23) Motor Vehicle Recovery System with Unauthorized Movement Notification

This is an electronic unit installed in a motor vehicle that is activated after that motor vehicle is moved without authorization. When activated, the device provides information to law enforcement officials or another public or private entity regarding the motor vehicle's location. The system provides for the routine delivery of the information to the appropriate law enforcement organization to assist in the recovery of the motor vehicle. Additionally, the device must provide personalized notification to the owner of a motor vehicle (or his or her authorized user) in the event of a potentially unauthorized movement of the owner's motor vehicle. Personalized notification shall mean notification delivered directly to the owner or his or her authorized user via automated communication, which is available beyond the proximity of the motor vehicle itself, to one or more devices designated in advance by the owner or his or her authorized user, such as to the owner's home telephone, mobile phone, electronic mail service, or wireless text messaging service. If maintaining the system in effect requires the payment of a service fee, the policyholder must provide the insurer reasonable confirmation of the coverage.

(24) Chip Key

This device allows only the correct ignition key(s) to start the engine. The system prevents the motor vehicle from being started unless the key to the ignition system enables the correct signal. The three types of systems that qualify are:

(a) Transponder immobilizer system: system must detect the proper transponder value from the chip in the key in order to start the engine.

(b) VATS/PASS-Key system: system must detect the proper resistance value in the key in order to start the engine.

(c) Passlock system: system must detect the proper R-code within the ignition lock or ignition switch to start the engine. This system does not have a chip in the key. The key turns the Passlock cylinder which provides the R-Code.

Any questions regarding this notice should be directed to Ed Charbonnier at 617-521-7481 or Kevin Beagan at 617-521-7323.