

# **MASSACHUSETTS CONSUMER BILL OF RIGHTS FOR AUTOMOBILE INSURANCE**

**This Bill of Rights is a summary of your rights for when you shop, purchase and own automobile insurance in our new competitive marketplace.**

Massachusetts law requires that every vehicle operating in Massachusetts be insured. The Registry of Motor Vehicles will revoke your vehicle registration if your car is driven without insurance coverage. Furthermore, you could be charged with certain offenses if you are found to be driving a car without insurance.

## **YOUR RIGHTS**

**You have the right to purchase automobile insurance.**

You are entitled to purchase automobile insurance. You should shop around to find the best products and the best price to fit your needs.

**You cannot be denied automobile insurance for unfairly discriminatory reasons.**

Massachusetts prohibits insurance companies from denying you automobile insurance based on your gender, race, creed, national origin, marital status, religion, age, occupation, income, principal place of garaging your car, education and homeownership.

**You cannot be denied automobile insurance based on your credit history.**

The Division of Insurance prohibits an insurance company from denying you automobile insurance based on any credit information contained in a consumer report that is obtained from a credit reporting agency.

## **You have the right to know the basis for a company's denial of your application for insurance.**

Insurance companies can refuse to offer you coverage based on non-discriminatory grounds, but they must identify the reasons supporting their denial. If you believe an insurer has refused to offer you insurance unlawfully, you have the right to file a [written complaint](#) to the Division of Insurance.

## **You have the right to obtain automobile insurance even if an insurer declines to give you a policy.**

If you cannot find an insurance company willing to issue a policy, you may obtain coverage through the Massachusetts Automobile Insurance Plan (MAIP). An insurance agent can help you apply for coverage through the MAIP. The MAIP will assign you to an insurance company that will provide insurance to you for up to three years. If you would like to learn more about your rights in the MAIP, please view the [MAIP Consumer Guide](#).

## **You have the right to seek the lowest prices available for automobile insurance in our market place.**

Now that competition has arrived in Massachusetts, you can shop for the best automobile insurance rates that are available in our market. The Division of Insurance encourages you to shop aggressively for the best rates for the products that fit your needs. You can call several agents and ask them to help you find the best rates and products. You also can call insurance companies directly to assist you. Finally, you can look online to see whether an insurance company will give you a premium quote over the internet.

An incident-free driving history always will result in a lower premium. Premium calculations vary by company depending on the types of traffic violations, accidents, and other criteria they consider. Even if you have recently been involved in an accident or received a traffic ticket, it still pays to shop because some companies may judge some types of accidents or traffic violations differently.

For a current list of all insurance companies offering auto insurance in Massachusetts, please visit the DOI's website at [www.mass.gov/doi](http://www.mass.gov/doi).

## **You have access to the DOI's Sample Premium Website to assist you in your premium comparisons among different automobile insurance companies.**

If you are unsure about where to start, or if you do not know which companies offer automobile insurance in Massachusetts, you can get information from the Division's Sample Premium website at [www.mass.gov/autorates](http://www.mass.gov/autorates). The premiums you see on this website are NOT premium quotes. They are sample premiums based on sample driver profiles and intended only to be used as examples. The only place you can get an actual premium quote is from a company or an agent. Your written premium quote could be larger or smaller than the sample premium listed on the website based on your specific driver profile.

The website allows you to review the sample premiums charged for each company based on a general customer profile. You also will see a list of discounts offered by each of these companies. The website also offers you the ability to link directly to a company, or search for an agent in your area to obtain an actual quote based on your detailed profile.

## **You have the right to choose the coverage that is right for you.**

Agents and companies must inform you in simple language of your coverage options when you apply for an automobile insurance policy, or at any time upon your request if you already have a policy. Different levels of coverage are available and you have the right to know how each option affects your premium and what your coverage would be in the event of an accident.

Insurers and agents must offer you the option of purchasing the following amounts of coverage:

1. Bodily injury liability and uninsured motorist coverage up to \$35,000 per person/\$80,000 per accident;
2. Personal injury protection benefits up to \$8,000 per person/per accident;
3. Property damage liability up to \$5,000 per accident;
4. Comprehensive coverage subject to a deductible of \$500; and
5. Medical payments insurance of at least \$5,000.

You should consider carefully your choice to purchase medical payments insurance if you already have health insurance. Your medical payments insurance may not be necessary if you have health insurance. You should discuss this carefully with your insurance agent or insurance company prior to making this decision.

## **You have the right to select certain insurance policy periods.**

The majority of automobile insurance companies offer policies for one-year periods. Some insurance companies also offer policies for six-month periods or for periods up to two years. You can take advantage of these options if they are offered to you. However, every insurance company that agrees to offer you a policy **must** provide a policy with a one-year term if you ask for it. When you compare premium quotes from different companies, be sure to compare policy periods that are identical.

## **You have the right to an insurance rate that is not unfairly discriminatory.**

An insurance company may use many different factors to determine your insurance rate. Massachusetts prohibits insurance companies from using factors such as: sex, marital status, race, creed, national origin, religion, age (except to provide the discount for persons who are 65 years or older), occupation, income, education and home ownership. Companies also may not use credit information contained on your consumer report that is obtained from a consumer reporting agency.

## **You have the right to have coverage under your automobile insurance policy regardless of who is driving your car provided you gave your consent to the driver.**

In most cases, your policy covers any accident involving your car even when it is driven by someone else with your permission. Your policy will not cover bodily injuries or property damage resulting from an accident when someone drives your car without your consent. If your car is stolen, comprehensive coverage will pay to repair any damage to your car if recovered, or its actual cash value at the time it was stolen.

## **You have the right to travel and have your coverage follow you.**

Your policy's bodily injury protection (part 1) only applies to accidents that occur in Massachusetts. In order to have bodily injury coverage outside of Massachusetts, you must purchase the optional part 5. Even if you only want the minimum level of bodily injury protection (\$20,000 per person or \$40,000 per accident), you must purchase this limit under part 5 in order to be covered outside of the state. If you purchase coverage under part 5, your coverage - including bodily injury coverage – follows you everywhere in the U.S. and Canada.

## **You have the right to an explanation of how your driving history record affects your premium.**

All companies use driving history when calculating premiums. The Division of Insurance's regulation does not permit companies to calculate a premium based on an accident or traffic violation that is more than six years old. The weight that companies assign to a particular traffic violation or accident varies based on the age and severity of the incident. Companies develop their premiums using different systems; therefore, it may not be easy to compare different quotes from different companies purely on the basis of driving record. Your agent or insurance company will be able to help you with your questions.

## **You have the right to see your driving history record.**

You may obtain a copy of the number of at fault accidents and traffic violations attributable to you from the Merit Rating Board (MRB). The MRB is the state agency that maintains these records. You can receive a copy of your record by submitting a completed "Request for Detailed Driving History Record" form to the MRB. There is a \$15 fee to process your request. You can download the request form from the MRB's website at [www.mass.gov/mrb](http://www.mass.gov/mrb) or by call 617-351-4400.

## **You have the right to pay a deposit premium of no more than thirty percent.**

You have the right to pay a deposit of no more than 30 percent of your policy's premium when you obtain or renew your policy, so long as you have not failed to pay your premium for automobile insurance previously.

## **You have the right to cancel your policy at any time.**

You can shop for a cheaper or different automobile insurance policy at any time – not only when your policy is up for renewal. If you find a better price or a company that offers additional coverages that you wish to purchase, you can cancel your old policy and seek a refund of your unused premium. Be aware that if you cancel a policy before it expires, your prior company may charge you a penalty. You should consider this option very carefully to make sure this is the best option for you. You should never cancel your old policy until a new one is in effect. A lapse in coverage could result in higher rates in the future.

## **You have the right to change your coverages and policy limits at any time.**

You have the right to change your coverages and policy limits at any time, even if your policy is not up for renewal. If you select lower policy limits or cancel non-mandatory coverages, you have a right to a refund of your unused premium.

## **You have the right to the prompt and fair handling of claims.**

You have the right to ask about any payments made to others by your company and charged to your policy. If you file a claim with your company, it should be handled promptly and fairly. If your claim is denied, the company must provide you with a written explanation for the denial.

## **You have the right to a second level of review by your company if it finds you to be “at fault” for an accident.**

If you are involved in an automobile accident, your company will make a determination as to whether you were 50% or more at-fault for this accident. It must notify you in writing of this decision and must provide you with the title and telephone number of the insurance company representative who can answer your questions about this finding. If you are dissatisfied with this decision, you have the right to instruct the company to conduct a second level of review by a claims manager. The company must conduct this review within 30 days of when it receives your request.

## **You have the right to a notice of cancellation.**

An insurance company may cancel your policy before its expiration date under very limited circumstances, such as when fraud is discovered; when your driver's license is suspended or revoked; or, when you fail to make premium payments after a certain period of time. The company must give you at least 20 days written notice before cancelling your policy. The notice must specify the reason for the cancellation.

If you receive a cancellation notice for non-payment of premium, you have until the date that the cancellation is to take effect in which to pay the premium and avoid cancellation. If you pay your premium after it is due, but before the cancellation date, check with your agent or insurance company for the total amount due to make sure that your payment is complete.

If you receive a cancellation notice that you believe is based on inaccurate information or is otherwise unlawful, you have the right to file a [written complaint](#) with the Division of Insurance.

## **You have the right to appeal a cancellation of insurance.**

If an automobile insurance company cancels your insurance, you can [file an appeal](#) with the Board of Appeals. There is no guarantee that the Board of Appeals will reinstate your policy, but you are entitled to a full and fair hearing on this cancellation. The Division recommends that you start shopping for insurance coverage from another insurance company immediately even if you have not had your hearing before the Board of Appeals so that you are not left without insurance coverage. You should never drive your car without insurance.

## **You have the right to a notice of non-renewal.**

An insurance company can decline to renew your coverage for several different reasons. This occurs most often when a driver's record includes certain "at-fault accidents" or motor vehicle violations. The company must issue a non-renewal notice directly to you or to your agent at least 45 days prior to the expiration of your policy. If you have an agent, your agent must send this notice to you within 15 days of the agent's receipt, unless you obtain insurance coverage from another insurance company during this time frame. The notice must specify the insurance company's reason for non-renewing your policy. The Division recommends that you begin to shop for automobile insurance from different insurance companies as soon as you receive a non-renewal notice.

## **If you are in an accident and your insurance company finds that you are "at fault," you have a right to be notified of this decision.**

Your insurance company must notify you within a specific period of time that it has made a decision that you were more than 50% "at fault" in an automobile accident. The notice also must contain certain accident, operator and policyholder information. It also must provide the title and telephone number of the company representative you can contact to discuss this decision. This notice also is provided to the Merit Rating Board so that your driving history record reflects this finding.

You can always call the Division of Insurance at 617-521-7794 to report the company's decision if you believe that you were treated unfairly.

## **If an insurance company reverses its decision that you were "at fault" in an accident, you have the right to be notified of this decision.**

If an insurance company reverses its prior decision that you were more than 50% "at fault" in an automobile accident, you have the right to be notified in writing of this decision. The company also must notify the Merit Rating Board so that your driving history record reflects this reversal.

**You have the right to keep private the personal information you give to your agent and insurance company.**

Insurance companies and agents are required by law to have procedures in place that protect the privacy of your information. Your insurance company must provide you with a notice of these procedures. Also, insurance companies and agents are required by law to protect your personal information from identity theft, and provide you with specific instructions should a security breach occur.

“Personal information” does not include information that is lawfully obtained from publicly available information or from government records lawfully made available to the general public.

**You always have the right to file a complaint with the Division of Insurance.**

We are here for you. The Division of Insurance is always available to help you with questions or complaints about all types of insurance policies, insurance companies and agents. You can talk to a consumer service representative by calling the Division's consumer hotline at: 617-521-7794.

You also can go to the Division's website – [www.mass.gov/doi](http://www.mass.gov/doi) - to learn more about your Consumer Rights.

**This Bill of Rights does not address your responsibilities. Your responsibilities regarding your insurance coverage can be found in your insurance policy. Failure to meet your responsibilities may affect your rights.**