



Massachusetts Division of Insurance

Consumer Information

Accident Forgiveness - What You Should Know

Some Massachusetts automobile insurance companies have begun offering an accident forgiveness feature as part of their automobile insurance policies. The Division of Insurance offers the following information for consumers who are considering this option.

What is Accident Forgiveness?

Insurance companies look at your record of accidents and moving violations when developing your automobile insurance premium. If your insurance policy has an accident forgiveness feature, the insurance company agrees not to factor an accident into the calculation of your premiums. Some insurance companies also use accident forgiveness as an incentive to new customers for switching from another insurer. Other insurers may even extend the accident forgiveness option to parents of teenage drivers.

While an accident forgiveness option may seem like a “free pass,” it is important for you to understand the conditions and limitations associated with this option. The insurance company does not erase the accident from your driving record. Instead, the insurer only agrees to not include an accident in the calculation of future premiums. If you move to another insurance company, that new insurer may factor that “forgiven” accident into the calculation of your premium.

What is the Cost?

In some cases, an accident forgiveness feature is included as part of a standard car insurance policy; however, you may pay a higher premium for a policy that includes this provision. Accident forgiveness may be offered as part of an additional endorsement – or coverage option – for an additional cost. Costs vary by insurer, so check with your current insurer, as well as a few others, if you are looking for the best deal on a policy that includes accident forgiveness.

Who is Eligible?

As with cost, eligibility for an accident forgiveness option will vary by insurer. Typically, qualification is based on two factors:

Customer Loyalty:

Many insurers only offer accident forgiveness to customers who have been insured with the company for a certain number of years.

Driving Record:

To qualify for this option, many insurers require that all drivers insured under the policy have a clean driving record for several years. Not only will insurers look at your accident history, but some will also consider driving violations as well. That means that one speeding ticket could impact your eligibility an accident forgiveness option.

Are all Accident Forgiveness Options Created Equal?

The specifics of accident forgiveness options will vary from one insurance company to the next. Some insurers require you to maintain a clean driving record for up to five years before you become eligible for accident forgiveness. Other insurers will offer you an accident forgiveness option immediately. Additionally, some insurers offer forgiveness for one accident while others may offer forgiveness of multiple accidents. You must read your policy carefully to understand how your insurer’s particular accident forgiveness option works.

Does an Accident Forgiveness Option Make Sense for You?

After you have an accident, insurers may raise your auto insurance premiums. If you are a safe driver, you will need to decide whether the cost of an accident forgiveness option is worth protecting you from future premium increases in the event you are involved in an accident. Talk with your insurance company or agent to learn more about how your premiums might be affected by an accident.

Contact the Division of Insurance

If you have questions about accident forgiveness, or any other feature of your automobile insurance, contact the Division of Insurance by calling our consumer hotline – 617-521-7794 – or visit our website at www.mass.gov/doi.