

# Overview of the Massachusetts Automobile Insurance Policy

Various portions of the standard Massachusetts Automobile Insurance Policy are important in the auto body industry, especially with respect to obtaining payment for repair work. The following outline highlights parts of the Policy that will be most useful to you. The text that appears has been taken directly from the Policy. Please note that the text provided is only a brief excerpt from the relevant Policy parts, and is intended to give you an overview of each part. To review the Policy in its entirety, please refer to Appendix D of this manual.

***NOTE:** Below is the most recent version of the policy and endorsements. Please be aware that you will have to consult the policy and endorsements in force for the particular insured making the claim.*

## COMPULSORY INSURANCE

### Part 4: Damage to Someone Else's Property

"Under this part, we will pay damages to someone else whose auto or other property is damaged in an accident. The damages we will pay are the amounts that person is legally entitled to collect for property damage through a court judgment or settlement. We will pay only if you, or a **household member**, is legally responsible for the accident. We will also pay if someone else using **your auto** with your consent is legally responsible for the accident. Damages include any applicable sales tax and the costs resulting from the loss of use of the damaged property."

## OPTIONAL INSURANCE

### Part 7: Collision

"Under this part, we will pay for any direct and accidental damage to **your auto** caused by a **collision**. It does not matter who is at fault. We will also pay for **collision** damage to other private passenger autos while being used by you or a **household member** with the consent of the owner. However, we will not pay for damage to any auto which is owned or regularly used by you or a **household member** unless a premium for this Part is shown for that auto on the coverage selections page. We will not pay if an accident occurs while an auto covered under this Part is being operated in any prearranged or organized racing, speed or demolition contest or in practice or preparation for any such contest."

"We will pay for each loss up to the actual cash value of the auto or any of its parts at the time of the **collision**. If the repair of a damaged part will impair the operational safety of the auto, we will replace the part. In all cases, we will subtract the deductible amount you selected."

"Camper bodies are not covered under this Part unless specifically shown on the Coverage Selections Page or by endorsement."

### Part 8: Limited Collision

"We only pay under this Part for multiple car accidents in which the driver of the auto we are covering was no more than 50% at fault. We will not pay if the owner of the other auto cannot be identified. After a claim under this Part we are required to determine whether the driver of the auto we are covering was more than 50% at fault. We will notify you of our determination."

"As long as the driver of the auto covered under this Part was not more than 50% at fault, his or her percentage of fault will not affect the amount of our payment."

"We will pay for each loss up to the actual cash value of the auto or any of its parts at the time of the **collision**. If the repair of a damaged part will impair the operational safety of the auto, we will replace the part. In all cases, we will subtract the deductible amount you selected."

"We will consider the driver of the auto covered under this part to be no more than 50% at fault if:

1. That auto was legally parked when struck by another auto.
2. That auto was struck in the rear by another auto moving in the same direction.
3. The operator of the other auto was convicted of a certain violation listed in Massachusetts law or any similar law of another state in which the accident occurs. However, we will not pay if the operator of the auto covered under this Part was also convicted of one of the same violations.
4. That driver is entitled to recover in court against an identified person for some reason other than those listed above."

"Camper bodies are not covered under this Part unless specifically shown on the Coverage Selections Page or by endorsement."

### **Part 9: Comprehensive**

"Under this Part, we will pay for direct and accidental damage to or loss of **your auto** other than damage caused by **collision**. We will also pay for such damage or loss to other private passenger autos while being used by you or a **household member** with the consent of the owner. However, we will not pay for damage or loss to any auto which is owned or regularly used by you or a **household member** unless a premium for this Part is shown for that auto on the coverage selections page."

"This Part is not a substitute for Collision (Part 7) or limited Collision (Part 8)."

"We consider glass breakage when not involving other collision loss, and the following types of losses to be Comprehensive and not Collision losses: losses caused by vandalism, fire and theft, missiles, falling objects, larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief, riot or contact with a bird or animal."

"However, we will not pay if an accident occurs while an auto covered under this Part is being operated in any prearranged or organized racing, speed or demolition contest or in practice or preparation for any such contest."

"We will pay for each loss up to the actual cash value of the auto or any of its parts at the time of the collision. If the repair of a damaged part will impair the operational safety of the auto, we will replace the part. In all cases, we will subtract the deductible amount you selected."

### **Part 11: Towing and Labor**

Under this part, we will pay up to the limit shown on your Coverage Selections Page for towing and labor costs incurred each time **your auto** is disabled. We will pay only for labor done at the scene to the extent that labor was needed to get **your auto** going. We will not pay for the cost of repair parts.

## GENERAL PROVISIONS AND EXCLUSIONS

9. **We Do Not Pay For Ordinary Wear Or Tear.** We will not pay for damage to **your auto** which is due solely to ordinary wear and tear, freezing, mechanical or electrical failure, or for ordinary road damage to tires. We will, however, pay for this damage if it is the result of some other loss which is covered by this policy.
10. **If We Pay For A Total Loss.** If we pay for the total loss of **your auto**, we have the right, if we so choose, to take title to that auto. We also have the right, if we so choose, to take any damaged part for which we pay.
11. **Repair And Payment After A Collision Or Loss; If We Disagree On The Amount of Damage (Parts 7, 8 and 9).** Under Collision, Limited Collision and Comprehensive (Parts 7, 8 and 9), you must allow us to have the auto appraised after a collision or loss. If we have a direct payment plan approved by the Commissioner of Insurance, we will pay you in accordance with the appraisal and allow you to select a repair shop of your choice. If you choose not to have **your auto** repaired, or if we do not receive your Repair Certification Form, or, when requested, you do not make **your auto** available for reinspection within a reasonable period of time following repair, our payments automatically reduce the actual cash value of **your auto** if you have further claims. If you later give us proof of proper repair, the actual cash value will be increased.

If you choose not to accept payment under our direct payment plan or we do not have such a plan, and you have **your auto** repaired in accordance with the appraisal, you must send us a Completed Work Claim Form. We must pay you within 7 days after receiving the form. If we fail to pay you within 7 days after receipt of the Completed Work Claim Form, you have the right to sue us. If a court decides that we were unreasonable in refusing to pay you on time, you are entitled to double the amount of damage plus costs and reasonable attorneys' fees. If you request us to, we will pay the repair shop directly, however, the repair shop must certify that it meets certain requirements. If you choose not to have **your auto** repaired, or if we do not receive your Completed Work Claim Form, we will determine the amount of decrease in the actual cash value of **your auto** and pay you that amount less your deductible. Our payment automatically reduces the actual cash value of **your auto** if you have further claims. If you later give us proof of proper repair, the actual cash value will be increased. We have a right to inspect all repairs.

In any event, we will never pay more than what it would cost to repair or replace the damaged property.

Sometimes there may be a disagreement as to the amount of money we owe for losses or damage to an auto. If so, Massachusetts law provides for a method of settling the disagreement. Either you or we can, within 60 days after you file your proof of loss, demand in writing that appraisers be selected. The appraisers must then follow a procedure set by law to establish the amount of damage. Their decision will be binding on you and us. You and we must share the cost of the appraisal.

12. **Sales Tax.** Under Collision, Limited Collision and Comprehensive (Parts 7, 8 and 9) we will pay, subject to your deductible, all sales taxes applicable to the loss of an auto or damage to an auto.

