

# **2016 Massachusetts Automobile Insurance Policy**

## **Memorandum of Changes**

This edition of the policy incorporates the provisions of the Massachusetts Mandatory Endorsement M-0099-S (Ed. 9-11), and, in addition, reflects the following changes in the 2008 Edition. There are also word minor changes that have been made for simplification and clarification which are not listed here as they have no material impact on policy meaning.

### **Definitions**

On Page 2, item 2 of the definition of You or Your is revised to include coverage for a spouse while a household member. Because a spouse is now included under You or Your, specific references to a spouse have been removed from other provisions of the Policy.

On Page 2, item 5B adds that a temporary substitute auto must be used with the consent of the owner to meet the definition.

On Page 2, item 5B of the definition of Your Auto is revised to include a motorcycle as a temporary substitute vehicle if the vehicle described on the Coverage Selections Page is a motorcycle.

### **Part 1. Bodily Injury To Others**

On Page 4, after the 3rd sentence, adds the sentence: “We will not pay for punitive or exemplary damages.”

On Page 4 adds “or defend” after “We will not pay” to provide that the company will not pay or defend when the exclusions apply.

On Page 4, exclusion 3 deletes “Massachusetts” and adds “benefits under any workers’ compensation law or similar law for the same injury,” in order to include other policies.

On Page 4, exclusion 4 is added to exclude coverage for your auto “while being used as, or available for use as, public or livery conveyance, including a vehicle for hire through a ride-sharing program, car-sharing program, and transportation network service which operate under an agreement and for compensation. This does not apply to the use of your auto in a share-the-expense car pool in an expense reimbursement program either as a volunteer or at work. This does not apply to the use of your auto in providing volunteer transportation services at the direction of a charitable group.” This provision appears as exclusion under other coverages in the policy and is referenced in this Memorandum as the “public livery exclusion.”

## **Part 2, Personal Injury Protection**

On Page 7, exclusion 3 adds “or similar law” after “workers’ compensation law” to apply to other policies.

Adds the public livery exclusion.

Adds exclusion 5: “We will not pay under this Part for injuries which occur while an auto is being used in any racing, speed, stunting, or demolition contest or activity.” This provision appears as an exclusion under other coverages in the policy and is referenced in this Memorandum as the “racing exclusion.”

## **Part 3. Bodily Injury Caused By An Uninsured Auto**

### **Part 12. Bodily Injury Caused By An Underinsured Auto**

On Page 8, in the second provision, adds the words “your spouse” in the third sentence to coordinate the provision with the other exclusions.

Deletes the references to “Massachusetts” throughout the coverage parts to apply the exclusion other policies.

Adds the public livery exclusion and the racing exclusion.

Deletes the restriction to 35/80 limits for the public livery and racing exclusions.

On Page 10 and in Part 12, page 26 the sentence: “Unless otherwise agreed, all monetary awards not paid within thirty days after the receipt of the award shall bear interest from the date of award at the rate allowed by statute.” has been added to establish the time for payment of adjustment or arbitration award.

## **Part 4. Damage to Someone Else’s Property**

On Page 10, the terms of the coverage has been rewritten to define more accurately its scope by specifying “damage or destruction of the tangible property of others caused by an accident and arising from the ownership, maintenance or use of an auto, including loading and unloading.” In the second and fourth sentence the word “damages” has been replaced by “the amount we will pay.” A sentence has also been added, specifying: “The amount we will pay does not include compensation for physical damage to, or towing or recovery of, your auto or other auto used by you or a household member with the consent of the owner, or any decreased value or intangible loss claimed to result from the property damage unless otherwise required by law.”

Adds the revised ride sharing exclusion.

On Page 11, exclusion 3, minor word changes were made to clarify the scope of the exclusion and to remove a double negative.

Adds the racing exclusion.

Deletes the \$5,000 limitation on the racing exclusion.

### **Optional Insurance**

On Page 12, adds “Limited Collision” to the third sentence of the fourth paragraph.

On Page 12, under exclusion 1, changes the pre-existing public livery exclusion to the revised vehicle for hire exclusion applicable to all optional coverages; and adds the sentence: “This does not apply to the use of your auto in providing volunteer transportation services at the direction of a charitable group.”

On Page 13, the racing exclusion is added for all optional coverages; therefore the exclusion is deleted from the individual optional coverage parts.

### **Part 5. Optional Bodily Injury to Others**

On Page 13, at the end of the first sentence, adds the words “and such accident arises out of the ownership, maintenance, or use of an auto by you or the household member.”

Adds the sentence: “We will not pay punitive or exemplary damages” at the end of the first paragraph.

On Page 13, after “we will not pay”, “or defend” is added.

On Page 14, exclusion 5 minor word changes clarify its scope and remove a double negative.

On Page 14, exclusion 6 is added: “For any liability assumed under any contract or agreement.”

On Page 15, the racing exclusion has been removed.

### **Part 6. Medical Payments**

Exclusion 7 is added to mirror the exclusion under Part 2, Personal Injury Protection: “Any person who contributed to his or her injury by operating an auto (a) while under the influence of alcohol, marijuana, or narcotic drugs, (b) while committing a felony or seeking to avoid arrest by a police officer, or (c) with the specific intent of causing injury to himself, herself, or others.”

Exclusion 8 is added to mirror the exclusion in Part 2 Personal Injury Protection: “Anyone who is entitled to benefits under workers’ compensation law or similar law for the same injury.”

The exclusion for the duplication of payments under other coverages, as appearing in the medical Payments endorsement, M-109-S, has been added.

The exclusion for racing has been deleted.

**Part 7 Collision**

**Part 8 Limited Collision**

**Part 9 Comprehensive**

Pages 16, 17 and 19, add the following sentences to establish clearly the scope of each coverage:

“We will not pay for any decrease in value claimed to result from the loss.”

“The cost to repair the auto is limited to the prevailing competitive price, which is the price we can secure from a licensed repair facility conveniently located to you. Unless you have purchased agreed amount coverage, actual cash value of the auto will be determined at the time of the loss. Actual Cash value may include an adjustment for depreciation and betterment and for the physical condition of the auto.”

“We will also pay reasonable and necessary expenses for towing, recovery, and storage of your auto.”

“We will not pay for any liability assumed under any contract or agreement.”

**Part 10. Substitute Transportation**

On Page 21, the third paragraph of the coverage part has been deleted and a new sentence added to specify the period allowed for coverage to continue: “Reimbursement for rental charges and transportation expenses will end the earliest of when your auto has been returned to you, repaired or replaced. We will pay only for a period of time which is reasonable for having your auto repaired or replaced. If your auto is deemed by us to be a total loss, reimbursement for rental charges and transportation expenses will end seven business days after we offer to pay the actual cash value under Part 7, Part 8, or Part 9.”

**Part 11. Towing and labor**

Adds the word “recovery”.

**Part 12. Bodily Injury Caused By An Underinsured Auto**

Deletes “Massachusetts” throughout the coverage part in order to apply to other policies.

Deletes the reference to the exclusions now applicable to all optional coverages and specifies the time when payment of interest on judgments and arbitration awards starts.

## **General Provisions And Exclusions**

On Page 25, General Provision 3B the first sentence has been changed : “Interest on that part of the judgment or arbitration award that is within our limits of liability which accrues after the judgment or award in any matter we defend.”

On Page 26, General Provision 4, the reference to a spouse has been clarified.

General Provision 5, the last sentence has been deleted to conform to the Medical Payments endorsement now incorporated in the policy.

General Provision 18, False Information, the last sentence was modified to apply to all compulsory coverages.

On Page 29, General Provision 20, was changed to reflect that pre-insurance inspection is no longer mandatory.

General Provision 21 is added to adopt the determination of actual cash value as contained the Massachusetts Mandatory Endorsement.

General Provision 22 is added to inform the policyholder that the company will not be bound by an assignment of interest under the policy without its knowledge or consent.

## **Cancellation**

On Page 31, the cancellation provisions have been revised to align with the statutory language governing policy cancellation.

## **Legal Notice Requirement**

On Page 33, Legal Notice Requirement, the fourth paragraph has been revised to clarify the reimbursement procedures in the event of cancellation and the use of short rate tables.

## **When There Is An Accident Or Loss**

On Page 34, under “First, Help Any Injured Person” adds: “Where there is coverage provided by this policy” in the third sentence.