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**Smart
Choices**
 Saving Money
 On Your
 Massachusetts
 Auto Insurance
1991

GOVERNMENT
 COLLECTION
 JUN 14 1991
 University of Massachusetts

Save
 up to 42%
 on some
 coverages!

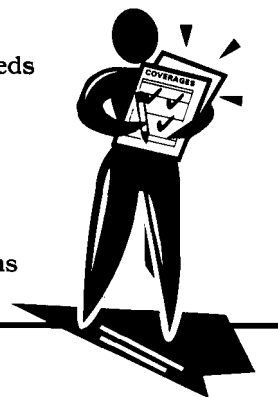
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Introduction

Many Massachusetts motorists can save money by reevaluating their coverage needs **before** renewing their auto insurance policies. This guide is designed to help you understand **how much insurance you need** to buy, and **how to save money** by:

- Choosing coverages wisely,
- Driving safely to earn premium credits, and
- Taking advantage of available discounts.

Please refer to your **Massachusetts Automobile Insurance Policy**, which contains the specific terms and conditions of your policy.



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You Must Buy Compulsory Coverages2

Bodily Injury to Others (BI): Pays for damages to anyone injured by your car.

Personal Injury Protection (PIP): Pays for injuries and lost wages to you, anyone you let drive your car, your household members, passengers and pedestrians — no matter who is at fault.

Bodily Injury Caused by an Uninsured Auto: Protects you, your household members, and passengers when an accident is caused by an uninsured or a “hit and run” driver.

Damage to Someone Else’s Property: Pays for damage to another person’s property if you cause the accident.

You May Buy Optional Coverages3

Optional Bodily Injury to Others: Increases the dollar amount of protection under Bodily Injury to Others coverage.

Medical Payments: Increases the dollar amount of medical protection under PIP.

Collision: Pays for accident-related damage to your car regardless of who is at fault.

Waiver of Deductible: Provides for waiving your collision deductible in certain circumstances.

Limited Collision: Pays for damage to your car only if you are not more than 50% at fault.

Comprehensive: Pays for non-collision damage to your car resulting from fire, theft, and vandalism.

Substitute Transportation: Pays for car rentals, taxis and other transportation costs.

Towing and Labor: Pays for some breakdown costs.

Bodily Injury Caused by an Underinsured Auto: Pays for injuries to you, your household members and passengers in your car, when an accident is caused by someone who does not have enough insurance.

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Individual discounts that, combined, can save you over 50% on your total premium

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You Must Buy

Compulsory Coverages*



Bodily Injury to Others (BI)

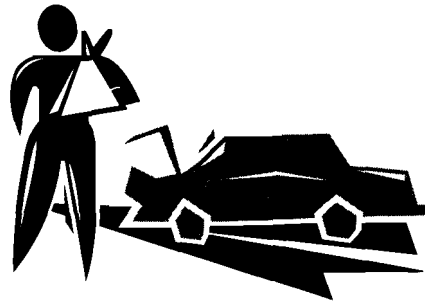
Pays for damages (medical expenses, pain and suffering) to anyone injured or killed by your car in Massachusetts, up to a basic limit of \$15,000 per person and \$30,000 per accident. Injuries to the driver or passengers in your car are not covered.



Personal Injury Protection (PIP)

Pays up to \$8,000 to you or anyone you let drive your car, your household members, passengers and pedestrians, no matter who causes the accident. PIP pays for medical expenses, replacement services and 75% of any lost wages.

* Check your policy for complete information on the specific terms and conditions of all coverages.



Bodily Injury Caused By an Uninsured Auto

Protects you, household members and passengers (unless covered by another Massachusetts policy with similar coverage) against losses caused by an uninsured or unidentified ("hit and run") driver. A minimum limit of \$15,000 per person and \$30,000 per accident is required.

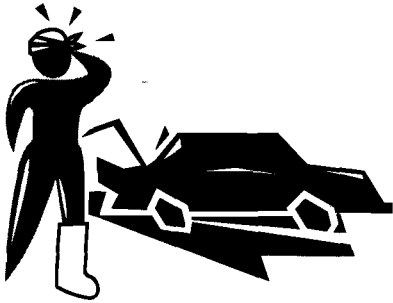


Damage to Someone Else's Property

Pays for another person's property damage, and costs associated with the loss of use of that property, when you, a household member or another authorized driver cause an accident. A minimum limit of \$5,000 is required.

You May Buy

Optional Coverages



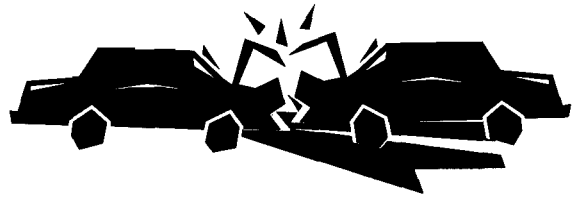
Optional Bodily Injury to Others

Increases your liability protection above the basic \$15,000/\$30,000 limit under Bodily Injury to Others. This coverage includes protection for guests in your car and accidents that occur anywhere in the U.S. or Canada.



Medical Payments

Covers medical expenses for you, your household members and passengers, over and above amounts covered by PIP.

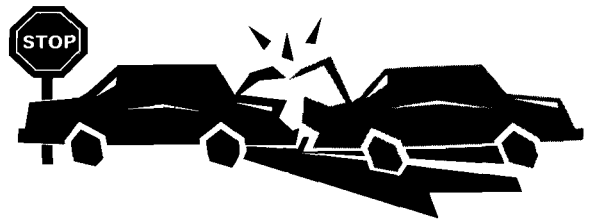


Collision

Pays for collision damage to your car—no matter who causes the accident. If your car is financed, your lender may require you to carry this coverage.

Waiver of Deductible

Allows the collision deductible you choose to be waived when an accident is caused by another identifiable driver.



Limited Collision

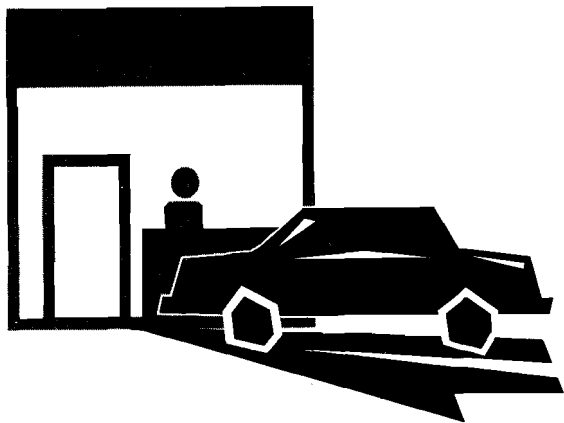
Also pays for collision damage, but only if you are not more than 50% at fault. One-car and hit-and-run accidents are not covered.

Optional Coverages Continued...



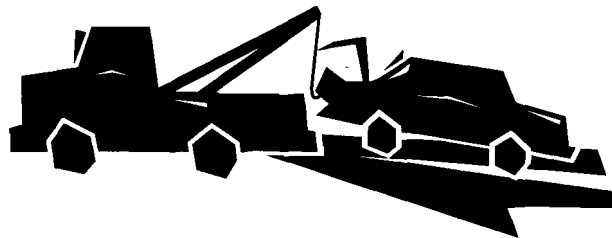
Comprehensive

Pays for losses resulting from perils such as fire, theft and vandalism. This coverage includes up to \$15 a day for substitute transportation until your **stolen** auto is recovered (up to a limit of \$450). However, personal belongings are covered only if permanently installed in your car. If your car is financed, your lender may require you to carry this coverage.



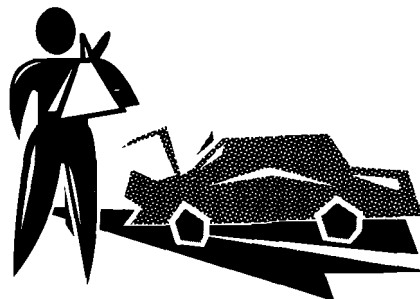
Substitute Transportation

Pays up to \$15 a day for car rental or other transportation costs (to a limit of \$450) while your car is undergoing collision repairs. Some car rental agencies may refuse to rent you a car if you are under a certain age or a poor credit risk.



Towing and Labor

Pays up to \$25 for towing and labor charges each time your car breaks down. You are covered only for the on-site labor costs — not any parts — needed to get your car running again at the breakdown site.



Bodily Injury Caused by an Underinsured Auto

Pays for bodily injury damages to you, household members and passengers (unless they are covered by another Massachusetts auto policy with similar coverage) when the accident is caused by someone without enough insurance. It pays you up to the difference between the total amount collected from the bodily injury liability insurance covering the owner and driver of the other car, and the limits you purchased for this coverage.

Choosing Wisely

Before renewing your policy, think carefully about your insurance needs. Here are some tips for making informed choices about coverages, deductibles and limits:

-
- = Compulsory Coverage
 - = Optional Coverage
 - ▲ = All Coverages
-

A. Do You Have Too Much or Too Little Insurance?

Choose an amount of insurance that will adequately protect you from large losses which could threaten your standard of living, but do not buy more than you really need.

- ▲ All Coverages

B. Is Your Deductible Right for You?

Decide how much you can afford to pay out of your own pocket in the event of an accident or loss. You can always save money on your premium by choosing a larger deductible where one is offered.

- PIP
- Collision, Limited Collision, Comprehensive

C. Do You Already Have Health and Disability Insurance?

If you do, consider taking a larger deductible, or excluding yourself and your household members from the PIP coverage. You may not need Medical Payments coverage at all.

- PIP
- Medical Payments

D. Can You Afford a Major Lawsuit?

You could be sued for much more than the required limits for Bodily Injury to Others. Buying higher limits under the Optional Bodily Injury to Others coverage makes good sense. Limits of \$100,000/\$300,000 meet most drivers' needs.

- Bodily Injury to Others
- Optional Bodily Injury to Others

E. Do You Drive Out-of-State?

Bodily Injury to Others does not cover accidents outside Massachusetts. Think about buying Optional Bodily Injury to Others to protect yourself.

- Optional Bodily Injury to Others

F. What If the Other Driver Doesn't Have Enough Insurance?

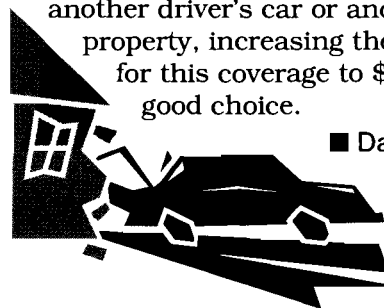
This coverage protects you against underinsured drivers. If you choose to buy this coverage, it makes sense to select limits equal to those you purchased under Optional Bodily Injury to Others.

- Bodily Injury Caused by an Underinsured Auto

G. Can You Afford to Pay the Other Driver's Repair Bill?

If you cannot afford to pay for repairing another driver's car or another person's property, increasing the required limits for this coverage to \$25,000 is a good choice.

- Damage to Someone Else's Property



H. Can You Afford to Repair or Replace Your Car?

Find out what your car is worth today. If you can afford to fix it, or if it is not worth much more than your deductible, then you may not need these coverages.

- Collision, Comprehensive

I. Do You Really Need Full Collision Coverage?

If you trust your own driving skills, then Limited Collision is a more economical choice.

- Limited Collision

J. Should You Waive the Collision Deductible?

If you decide to take a large Collision deductible, you may want to reduce the risk of actually having to pay it. For the additional cost of this option, you can avoid paying the deductible as long as the other driver is identifiable and at fault.

- Collision (Waiver of Deductible)

K. Can You Afford a New Windshield?

If you can afford this kind of out-of-pocket expense, consider taking a glass deductible.

- Comprehensive

L. Are You Paying for Duplicate Coverage?

Don't pay twice for the same coverage. For example, Comprehensive reimburses you for transportation costs resulting from the loss of use of your car under certain conditions. Therefore, if you can afford to take a cab or rent a car when your car is in the shop for collision repairs, you may not need Substitute Transportation coverage.

- ▲ All Coverages

M. Do You Belong to a Motor Club?

Many clubs' services include towing and labor. If you belong to one, you probably do not need this coverage.

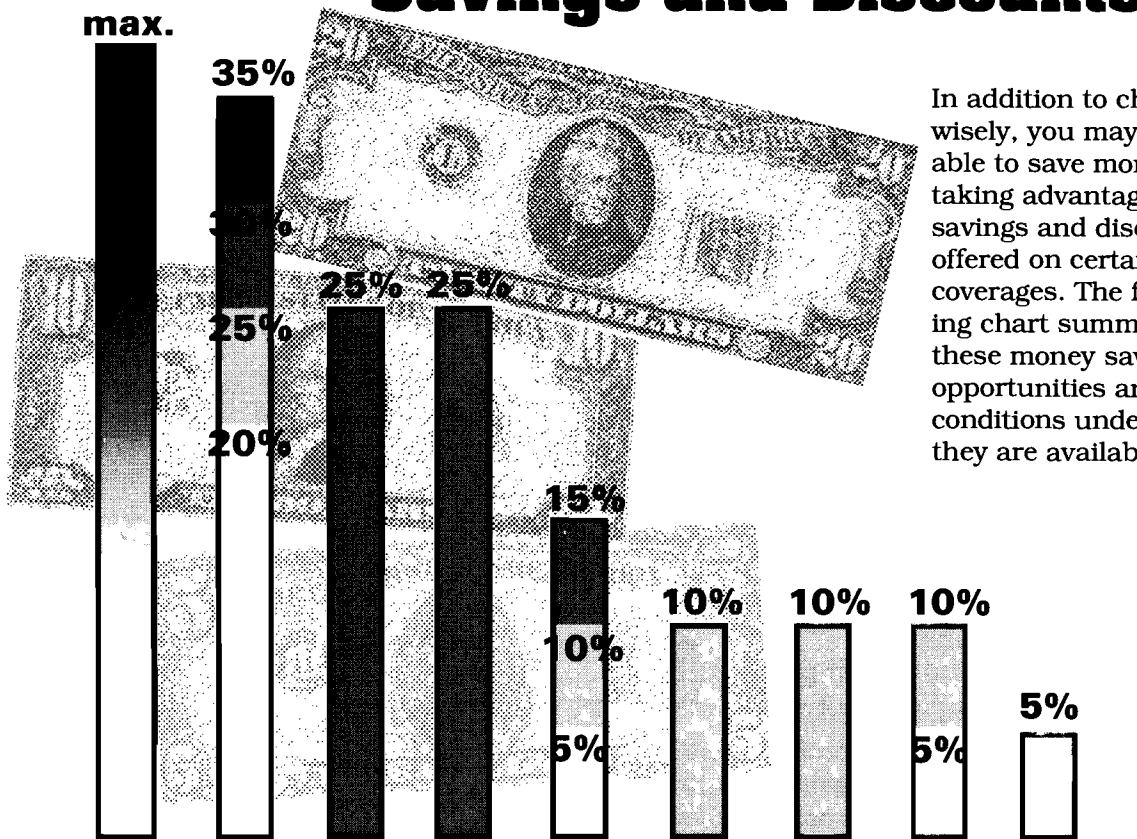
- Towing and Labor

Choosing Wisely — Easy Reference Chart

Coverage	Tips to Consider
Bodily Injury to Others, Optional Bodily Injury to Others	A, D, E, L
Personal Injury Protection	A, B, C, L
Damage to Someone Else's Property	A, G, L
Bodily Injury Caused by an Uninsured Auto	A, L
Medical Payments	A, C, L
Collision	A, B, H, J, L
Limited Collision	A, B, I, L
Comprehensive	A, B, H, K, L
Substitute Transportation	A, L
Towing and Labor	A, L, M
Bodily Injury Caused by an Underinsured Auto	A, F, L

Savings and Discounts

In addition to choosing wisely, you may be able to save money by taking advantage of savings and discounts offered on certain coverages. The following chart summarizes these money saving opportunities and the conditions under which they are available.



SAVINGS AND DISCOUNTS

Safe Driver Insurance Plan	Signal-Activated Recovery System	Senior Citizen	Passive Restraints	Anti-Theft Mechanism	Public Transportation	Driver's Ed Training	Low Mileage	Multi-Vehicle
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COVERAGES AFFECTED

Bodily Injury, PIP, Damage to Someone Else's Property, Collision	Comprehensive	All	PIP, Uninsured Motorist, Underinsured Motorist, Medical Payments	Comprehensive	Damage to Someone Else's Property, Collision	Bodily Injury, PIP, Damage to Someone Else's Property, Optional Bodily Injury, Collision	All coverages EXCEPT: Comprehensive, Sub. Transportation, Towing & Labor	Collision, Limited Collision
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CONDITIONS

Attain the lowest SDIP step to save 42% off liability coverages; 30% off collision coverage.	Savings vary depending on type of device(s).	Principle operator is 65 yrs. or older. No inexperienced drivers on policy. Cars used in business ineligible.	Auto must be equipped with air bag or automatic seat belts.	Savings vary depending on type of device.	Must show evidence of purchase of 11 months of commuter passes from qualified transit system, \$75 max.	Inexperienced drivers completing approved training course, save 10% first 3 years.	10% Discount: Drive 0-5000 miles per year. 5% Discount: Drive 5001-7500 miles per year.	Individual or married couple who have more than one car insured with the same company. Experienced drivers only.
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Safe Driver Insurance Plan (SDIP)

PENDING CHANGES

At publication time, changes to ease some SDIP surcharges were being reviewed. Check any inserts in this booklet or contact your agent or company for the latest information.

Summary

What is it?

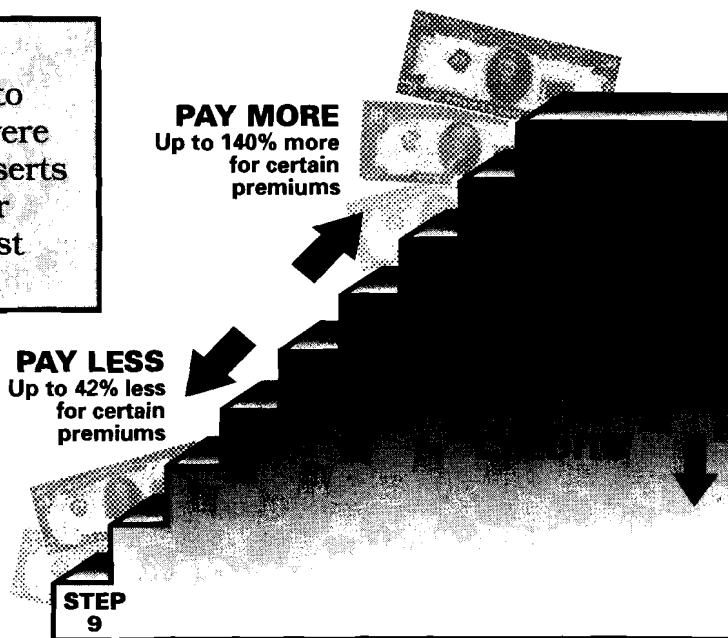
SDIP is a program that encourages safe driving by rewarding low-risk drivers and making sure high-risk drivers pay their fair share of insurance costs.

How Can it Affect Me?

Credits and surcharges are based on your driving history record. You can earn credits for safe driving that will save you nearly 50% on certain coverages, or you can accrue surcharges for poor driving that could more than double your premiums for certain coverages.*

What Coverages are Affected by SDIP?

- Bodily Injury to Others (BI) — compulsory
- Personal Injury Protection (PIP) — compulsory
- Damage to Someone Else's Property (PDL) — compulsory
- Collision — optional



How Will I Know if I Will Earn a Credit or Pay a Surcharge?

Unless all of the drivers on your policy have had perfect driving history records during your policy's Experience Period (a multiple year period, determined by the Commissioner of Insurance, which precedes your policy effective date), your company must send you an SDIP Statement.

The SDIP Statement shows each listed operator's driving history record and the resulting SDIP Step. Steps higher than 15 result in a surcharge. Steps lower than 15 result in a credit. Step 15, the SDIP starting step for all drivers, has no effect on your premium.

How Can I Earn Credits and Avoid Surcharges?

- Drive safely.
- Avoid surchargeable "incidents." These affect your SDIP Step. Surchargeable incidents include:
 - causing an accident involving a PDL or Collision claim of over \$200 or
 - violating certain motor vehicle laws, such as speeding or drunk driving, in- or out-of-state.
- Remind all drivers on your policy that each individual's driving history record may affect your bill. Surcharges accrued by one driver can wipe out credits earned by the other drivers.

What if I Disagree with a Surcharge?

If you are in an accident and determined to be at fault, you will receive a Surcharge Notice. If you believe you were not at fault, you may choose to appeal the determination. You must appeal immediately or risk losing this right. If you are successful in your appeal, your insurance company will adjust your premium accordingly.

What if I Don't Pay the Surcharge?

If you refuse to pay a surcharge, your insurance company will cancel your policy after sending you the Notice of Cancellation required by law.

Specifics

Verifying Your SDIP Step

Refer to the driving history record included in your SDIP Statement, then use this equation:

15	+	<input type="checkbox"/>	-	<input type="checkbox"/>	=	<input type="checkbox"/>
SDIP Starting Step		Total Number of Surcharge Points		1 Credit Point for Each Year of Incident-Free Driving as a Licensed Massachusetts Driver		Your SDIP Step

(Your first minor motor vehicle violation will not affect your premium, although it will appear on your driving history record. You will not earn a credit point for that year, nor will you receive a surcharge.)

Calculating the Total Dollar Amount of a Credit or Surcharge

- Once you know your SDIP step, look at your "Coverage Selections Page."
- Compute your credit or surcharge by using the chart at the top of the next page.

Drive Safely!

A major traffic violation can increase certain premiums by **35%!**

<p>1. If your Step is less than 15, then:</p> $15 - \square = \bigcirc$ <p style="text-align: center; font-size: small;">Your Step Difference</p>	<p>If your Step is greater than 15, then:</p> $\square - 15 = \bigcirc$ <p style="text-align: center; font-size: small;">Your Step Difference</p>
<p>2.* For: Bodily Injury to Others, PIP, Damage to Someone Else's Property</p> $\bigcirc \times .07 = \square$ <p style="text-align: center; font-size: small;">Credit/Surcharge Factor</p> <p>For: Collision</p> $\bigcirc \times .05 = \square$ <p style="text-align: center; font-size: small;">Credit/Surcharge Factor</p>	<p>3.</p> <p><input type="checkbox"/> X Total premium for Bodily Injury to Others, PIP, Damage to Someone Else's Property = \$ _____ Liability Coverages Credit/Surcharge</p> <p><input type="checkbox"/> X Collision premium = \$ _____ Collision Credit/Surcharge</p>
<p>4.</p> <p>\$ _____ + \$ _____ = \$ _____ Total Credit/Surcharge Dollar Amount</p>	

*For Bodily Injury to Others, PIP, and PDL, each step represents a 7% change. For Collision, each step represents a 5% change.

Earning Credits

Incident-Free Driving — One Credit Point is subtracted from the starting step (15) for each incident-free year of driving during the policy Experience Period as determined by the Commissioner of Insurance. An incident-free year of driving is any one-year period preceding the policy effective date for which you have been licensed to drive in Massachusetts, and for which no surchargeable incidents appear on your driving history record.

If you have been licensed to drive in Massachusetts for less than one year, you will be placed at SDIP Step 15, the neutral step.

Clean Slate Rule — The Five-Year Clean Slate provision will affect policies issued or renewed in 1992.* If you maintain five consecutive years of incident-free driving within the policy Experience Period, and your SDIP Step is still greater than 15, your SDIP Step

*For policies issued or renewed in 1991, a four-year incident-free record will be honored under a transitional clean slate rule.

will be set at 15. You must have a valid Massachusetts driver's license for the entire five year incident-free period.

Accumulating Surcharges

The number of Surcharge Points assigned to each surchargeable incident is determined by the type of incident. Each surcharge point results in a 5% or 7% increase in certain coverages.

Incident	Surcharge Points
Minor Traffic Law Violation	2
Minor At-Fault Accident	3
Major At-Fault Accident	4
Major Traffic Law Violation	5

At-Fault Accidents — If you have an accident involving a property damage or collision claim payment of \$200 or more, your insurance company must determine who was more than 50% at fault. A **Minor At-Fault Accident** involves a claim payment under Collision, Limited Collision, or Damage to

Someone Else's Property, of between \$200 and \$1,500. A **Major At-Fault Accident** involves a claim payment of over \$1,500.

If your company determines that you were at fault, the accident will be added to your driving history record and **your company will send you a Surcharge Notice**. The Surcharge Date is the Date of Notice entered by your insurer on the Surcharge Notice. The accident will remain on your record unless the company withdraws the Surcharge Notice or you successfully appeal the surcharge. Remember that surchargeable incidents affect your bill for years to come.

Motor Vehicle Traffic Violations — If you are convicted of or pay a fine for violating certain motor vehicle traffic laws in or out-of-state, or are assigned to an alcohol education program, the court will notify the Merit Rating Board at the Registry of Motor Vehicles. The Board will add the violation to your driving history record. The court judgment date becomes the Surcharge Date for the violation.

Appealing a Surcharge Notice

Appealing At-Fault Accidents — You can file an appeal of a surcharge at the time you receive your Surcharge Notice by following the instructions on the back of the Notice. The Board of Appeal, located at the Division of Insurance, will hold the hearing and will

notify you, the Merit Rating Board and your company of its decision. If surcharge points are applied to your premium for an at-fault accident while your appeal is pending, you must pay the additional premium or your policy will be cancelled.

Should the Board of Appeal find that you were not more than 50% at fault, the Merit Rating Board will remove the incident from your driving history record, and your company will adjust your policy accordingly.

More Than One Car or Driver on a Single Policy...

Assignment of Operators to Vehicles — The listed driver with the highest SDIP Step is assigned to the vehicle with the highest combined premium for the Bodily Injury, PIP, PDL and Collision coverages. For each subsequent vehicle, the listed driver with the next highest Step is assigned to the vehicle with the next highest combined premium until no vehicles remain.

When there are more vehicles than drivers on a policy, the excess vehicles are assigned the step of the driver with the lowest step, unless it is above Step 15. In such a case, the excess vehicles are assigned Step 15.

If a driver's step is greater than Step 15, it will not be billed on more than one policy in effect at the same time.

**Driving Safely
Can Reduce
Your Car Insurance Bill**

More Questions?

Call or write the following individuals or organizations for questions concerning your:



insurance bill...

- your insurance agent, broker or company

driving record...

- Merit Rating Board
Insurance Company
Services Section
100 Nashua Street, 6th Floor
Boston, MA 02114
(617) 727-7017

appeal of a Surcharge Notice...

- Board of Appeal
Division of Insurance
280 Friend Street
Boston, MA 02114
(617) 727-7189, x 223

further questions about automobile insurance...

- Division of Insurance
280 Friend Street
Boston, MA 02114
(617) 727-7189, x 300

Commonwealth of Massachusetts

Michael S. P. [unclear]

Governor

Mary Ann Walsh

Secretary of Consumer Affairs and
Business Regulation

Timothy H. Gailey

Commissioner of Insurance

Edited and Designed by

Anacom, Needham, MA

IMPORTANT NOTICE!!

THIS IS AN INSERT PAGE TO THE BOOKLET, SMART CHOICES: SAVING MONEY ON YOUR MASSACHUSETTS AUTO INSURANCE, 1991, WHICH IS INCLUDED WITH YOUR 1991 RENEWAL APPLICATION. IT INCLUDES A DESCRIPTION OF RECENT IMPROVEMENTS IN THE SAFE DRIVER INSURANCE PLAN. THIS IS NEW INFORMATION YOU NEED TO KNOW! INSERT THIS PAGE IN YOUR BOOKLET FOR QUICK AND EASY REFERENCE.

On page 3 under Collision and on page 4 under Comprehensive insert the following:
"You may be denied collision and comprehensive coverage or required to pay an higher 'extra-risk' rate for comprehensive coverage if you own a high-theft, high-priced vehicle which does not have a qualifying anti-theft device or vehicle recovery device. Your company may deny coverage or charge an extra-risk rate under certain other circumstances also, including, excessive at-fault accidents, excessive total theft or fire claims, and a conviction of driving under the influence of alcohol or drugs. Check with your agent or company for additional details."

On page 7 under the Savings and Discount chart, change the percentages of discount for anti-theft mechanisms to read: "5%, 15% and 20%".

On page 9 insert the following under Verifying Your SDIP Step:
"In 1991, you will not be surcharged for an incident with a surcharge date in the 1985 policy year*. However, if you were incident-free during the 1985 policy year, you will receive a credit."

On page 10 replace the text under Incident-Free Driving with the following:
"One credit point is subtracted from the starting Step 15 for each year of incident free driving during the Experience Period, as determined by the Commissioner of Insurance. An incident-free year is any one year period preceding the policy effective date for which no surchargeable incidents appear on your record. In 1991, you will receive credit for any incident-free year of driving which you completed during the Experience Period as an out-of-state driver."

On page 10 replace the text under Clean Slate Rule with the following:
"If you drove incident-free during policy years* 1988-1990, and you would otherwise be rated at Step 15 or above, you will be rated at Step 14, a credit step, in 1991."

On page 11 insert the following after Motor Vehicle Traffic Violations:
"Out-of-State Driver - If you have surchargeable incidents on your driving record, which you incurred during the Experience Period as an out-of-state driver, you will be placed at Step 15. Your Massachusetts driving experience will then be included. Or you may provide your insurance company with a copy of your out-of-state driving record, which will be used along with your Massachusetts driving record to determine your SDIP Step."

NOTE: IF YOUR 1990 SDIP STEP INCREASED BECAUSE OF INCIDENTS WITH SURCHARGE DATES IN THE 1984 POLICY YEAR*, YOU WILL RECEIVE A REBATE OR CREDIT IN 1991 IN THE AMOUNT OF THE PREMIUM INCREASE ATTRIBUTED TO THE 1984 POLICY YEAR.

* "Policy year" indicates the twelve months during which the policy is effective. For example, if the policy renews on December 15th, then the 1985 policy year is December 15, 1985 to December 14, 1986.