



COMMONWEALTH AUTOMOBILE REINSURERS

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RALPH A. IANNACO  
PRESIDENT

May 21, 2010

**BULLETIN NO. 926**

**LOW SPEED VEHICLE RATE FILING**

On May 19, 2010, the Division of Insurance placed CAR's Low Speed Vehicle rate and manual rule on file for policies effective August 1, 2010 and later (SERF # CARI-126608597). These rates apply to motor vehicles, which are defined as Low Speed Vehicles in accordance with Rule 43 that are assigned through MAIP. The premium charged for low speed vehicles will be the CAR rate or the Assigned Risk Company's (ARC) rate for this classification, whichever is less. The CAR rate will apply if the ARC does not have a voluntary rate for this classification. CAR's Private Passenger Automobile Insurance Manual is in the process of being updated to reflect these modifications.

Questions relative to the Low Speed Vehicle rates and rule may be directed to Mr. Timothy Galligan at 617-880-7286 or [tgalligan@commauto.com](mailto:tgalligan@commauto.com).

NATALIE HUBLEY  
Vice President – Financial Services & Treasurer

Attachment

## **RULE 41. STATED AMOUNT COVERAGE**

### **Parts 7, 8 and 9**

A motor vehicle may be insured on a stated amount basis when it can be clearly established that its value will produce an inadequate premium charge using normal rating procedures. In such case, the vehicle may be rated as follows:

1. An appraisal shall be made at the time of application to establish the current market value of the vehicle. The insurer shall verify the accuracy of the appraisal.
2. Using the appraised value and the vehicle's model year, refer to Rule 22 to determine the symbol group. Obtain the stated amount rate from the Stated Amount Rate Page in this manual. Apply the rate obtained from this Stated Amount Rate Page to each \$100 of the appraised valuation. For Symbol 17 and above use the Symbol 17 rate.

Endorsement MPY-0027-S titled Stated Amount Coverage must be issued with the policy

## **RULES 42. RESERVED FOR FUTURE USE**

### **RULE 43. LOW SPEED VEHICLES**

The term "low speed vehicle" shall include any 4-wheel motor vehicle that has a seventeen digit Vehicle Identification Number (VIN), has been issued a Certificate of Origin, has a gross vehicle weight rating (GVWR) of less than 3000 pounds, and has a top speed greater than 20 mph but not greater than 25 mph. The motor vehicle must be National Highway Traffic Safety Administration (NHTSA) certified as a "Low Speed Vehicle" demonstrated by the Certificate of Origin listing the body style as "LSV" or "Low Speed Vehicle" or by the Manufacturer's Certification Label posted on the vehicle containing the VIN and indicating the Type of Vehicle as "LSV" or "Low Speed Vehicle."

Rates for low speed vehicles are based on the class 10 rate times a factor. Refer to the Miscellaneous Motor Vehicles section for rating methods and factors. Annual mileage, multi-car, continuous coverage, low frequency, and class 15 discounts apply. Low speed vehicles shall be eligible for a 20% discount if the vehicle is equipped with a Vehicle Recovery System which falls under Category IV of the Anti-Theft Device Standards and Discounts, as defined in Rule 54. This discount is applicable to Comprehensive coverage or other combinations of specified perils which afford Theft coverage.

The merit rating status shall be determined as follows:

1. The merit rating status of operators shall be assigned to low speed vehicles in order of the highest merit rating status, after assignment to other private passenger vehicles on the policy.
2. if only one operator is listed on the policy, the merit rating status assigned to the low speed vehicle will reflect the merit rating status of the operator.
3. if the merit rating status of each listed operator has been used in rating an automobile on the policy, any remaining low speed vehicles shall be assigned the lowest merit rating status of the listed operators.

The merit rating adjustment shall be determined using the merit rating factor defined in Rule 56 applicable to Class 10 operators.

## **RULE 44. MOTORCYCLES, MOTORSCOOTERS, MOPEDS AND SIMILAR MOTOR VEHICLES**

Experienced or inexperienced operator classifications apply to coverage parts 1, 2, 4, 5, 7 and 8. The experienced operator classification is applied when the operator of the motorcycle has been licensed to operate a motorcycle for at least six years. The inexperienced operator class is applied when the operator of the motorcycle has been licensed to operate a motorcycle for less than six years, or holds a motorcycle permit. When an inexperienced operator classification is applied to a motorcycle, the rates for parts 1, 2, 4, 5, 7 and 8 must be multiplied by a factor of 1.50. The merit rating assigned to an operator on a private passenger automobile insurance policy, if available, shall also be applied to the motorcycle policy. Operators assigned to motorcycles will also be considered for assignment to automobiles listed on the policy in accordance with Rule 28.

If there is more than one operator on a policy, the operators shall be assigned to the motorcycles in the order which produces the highest Combined Premium. The Combined Premium is the sum of the premium for Parts 1, 2, 4, 5, 7, 8 and 9 for the operator's classification, including the 25% discount for operators age 65 and over, and the operator's

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**Miscellaneous Motor Vehicles**

	<b>LIABILITY</b>	<b>PHYSICAL DAMAGE</b>
<b>Pick-Up (Rule 32)</b>	Manual Rates	Part 7 - 60% (reduction not applicable to Waiver of Deductible premium) Part 8 - Manual Rate Part 9 – 90%
<b>Trailers (Rule 34)</b>	No Charge	Parts 7, 8 and 9 50% Latest Model Year shown in Rate Pages, Territory 1, Class 10 Symbol based on Cost New
<b>Motor Homes (Rule 39)</b>	Manual Rates	Parts 7 and 8 - 50% Part 9 – Manual Rate
<b><u>Low Speed Vehicles (Rule 43)</u></b>	<u>Parts 1,4, and 5:</u> <u>50% of Class 10</u> <u>Parts 2,3,6, and 12:</u> <u>100% of Class 10</u> <u>Annual mileage, multi-car, continuous coverage, low frequency, class 15 discounts apply (Rule 19)</u>	<u>Parts 7 and 8:</u> <u>75% of Class 10</u> <u>Part 9:</u> <u>50% of Class 10</u> <u>Annual mileage, multi-car, class 15 discounts apply (Rule 19)</u> <u>20% Anti-Theft discount applies for vehicles equipped with Category IV device (Rule 54)</u> <u>Symbol based on Cost New (Rule 22)</u>
<b>Motorcycles, etc. (Rule 44)</b> Motorcycle Rider Training Program Discount - 10% Parts 1-8 and 12 Insureds age 65 or older - 25% All Parts		