

## SECTION II - PRIVATE PASSENGER AUTOMOBILES

### **RULE 27. PRIVATE PASSENGER DEFINITION**

- A. A motor vehicle of the private passenger or station wagon type that is owned or leased under contract for a continuous period of at least twelve months by one or more individuals, excluding (1) partnerships, (2) corporations, (3) unincorporated business associations, and (4) other legal business entities with a federal employer identification number, and is not used as a public or livery conveyance nor rented to others. A vehicle which meets the conditions of Rule 31, regarding the transportation of fellow employees, students or others for consideration, is included in this definition, provided such vehicle is not registered for carrying passengers for hire.
- B. A motor vehicle that is a pick-up or van, that is owned or leased under contract for a continuous period of at least 12 months by one or more individuals, excluding (1) partnerships, (2) corporations, (3) unincorporated business associations, and (4) other legal business entities with a federal employer identification number, and
  - 1. has a gross vehicle weight rating of less than 10,000 pounds or has a vehicle rating group assigned to it by the Automobile Insurers Bureau of MA (AIB), and
  - 2. is not used for the delivery or transportation of goods or materials unless such use is incidental to the insured's business of installing, maintaining or repairing furnishings or equipment.
- C. Gross Vehicle Weight Rating means the value specified by the manufacturer as the loaded weight of a single vehicle.
- D. An eligible vehicle under this rule whose title has been transferred to a trust may be insured under a policy issued by assignment through the MAIP, subject to the following requirements: the grantor of the trust must be an individual or lawfully married individuals residing in the same household, and must be the only insured(s) named in Item 1 of the Coverage Selections Page. All vehicle(s) insured under the policy must be owned by the trust. A vehicle owned by a trust in which the grantor is a partnership or corporation must be written under a commercial auto policy.

If a motor vehicle is leased as described in the foregoing paragraphs, and the lessee is obtaining the insurance, the policy must be issued to the lessee as named insured and Endorsement M-0070-S, "Coverage For Anyone Renting An Auto To You," must be attached to the policy.

### **RULE 28. PRIVATE PASSENGER CLASSIFICATIONS**

#### **A. Operator Classes**

- 10 Experienced Operator.** The operator has been licensed at least six years and is under the age of 65 and the automobile is not used in the occupation, profession or business of the insured.
- 15 Experienced Operator - age sixty-five or more.** The operator has been licensed at least six years and is sixty-five years of age or more and the automobile is not used in the occupation, profession or business of the insured.
- 17 Inexperienced Principal Operator - licensed three or more years.** The operator of the automobile has been licensed at least three years and less than six years and is the principal operator of the automobile.
- 18 Inexperienced Occasional Operator - licensed three or more years.** The operator has been licensed at least three years and less than six years and is not the principal operator of the automobile.
- 20 Inexperienced Principal Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 21 Inexperienced Occasional Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is not the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.

**25 Inexperienced Principal Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has completed a Satisfactory Driver Training Program.

**26 Inexperienced Occasional Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, has completed a Satisfactory Driver Training Program, and is not the principal operator of the automobile.

**Business Use.** The operator has been licensed at least six years and the automobile is used in the occupation, profession, or business of the insured. Going to or from the principal place of the occupation, profession or business of the insured is not considered business use.

## **B. Operators**

All operators of the insured automobiles must be listed on the Coverage Selections Page of the Policy. An operator is a person who has an operator's license, but does not include a person who has only a learner's permit.

### **1. Assignment of Operators to Automobiles**

a. If an insurer defers operators listed on a policy who are rated on an automobile insured by another Massachusetts private passenger motor vehicle insurance policy for the purposes of rating the policy on which they are listed in the voluntary market, this practice must be extended to the rating of policies assigned to it through the MAIP. If the insurer does not defer any listed operator under the policy for the purposes of rating the policy, the insurer shall not adopt that practice for the purposes of rating a policy assigned to it through the MAIP.

b. Each operator listed on the policy shall be assigned to an automobile on the policy based on the operator's class and merit rating in a manner which produces the highest Combined Premium (the sum of the premium for Parts 1, 2, 4, 5, 7, 8, and 9 for the operator's class and the operator's merit rating adjustment) for each automobile. The operators shall be assigned in order of the highest Combined Premium applied to the automobile with highest Base Premium (the automobile's Class 10 premium for Parts 1, 2, 4, 5, 7, 8, and 9) until all operators are assigned to an automobile, except that:

- i. If an inexperienced operator is the principal operator of a specific automobile, the automobile shall be rated with the appropriate inexperienced principal operator class and merit rating adjustment of that operator;
- ii. If an operator age 65 or over is the principal operator of a specific automobile and all operators listed on the policy have been licensed at least six years, the automobile shall be rated as Class 15 and that operator's merit rating adjustment shall be applied. However, if more than one listed operator is age 65 or over, Class 15 and the merit rating adjustments of the Class 15 operators shall be applied in the manner which produces the highest Combined Premium.
- iii. If only one operator is listed on the policy, all automobiles on the policy will be assigned the same principal operator classification and merit rating adjustment.
- iv. If each listed operator has been used in rating an automobile on the policy, any remaining automobiles shall be assigned the operator class and merit rating adjustment which produces the lowest Combined Premium, unless the automobile is subject to rating as Class 30.
- v. If more than one operator is listed on the policy, an operator cannot be assigned as the principal operator of more than one automobile on the policy until the other operators are assigned to an automobile.

c. The assignment of operators to automobiles applies regardless of the number of policies or insurers involved.

d. An inexperienced operator in active military service with the Armed Forces of the United States of America shall not be considered an operator of the automobile unless such individual customarily operates the automobile.

e. Private passenger automobiles owned by clergy are to be classified as Class 10 or 15 unless (a) Class 30 is required due to business use other than in connection with church use or (b) an inexperienced operator is listed on the policy.

## **2. Excluded Operator**

If an operator who is a member of the household is to be excluded in rating a particular automobile to produce a lower premium charge, the policyholder must submit a signed statement that such operator does not and will not operate the automobile to be insured. The signed statement must be part of the Operator Exclusion Form, M-0106-S.

If any operator excluded by the Operator Exclusion Form operates the automobile, under any circumstances, the appropriate operator classification premium for the full policy period shall be charged and the company shall deny payment of any claim under the optional coverage for a collision or limited collision claim because the excluded operator was driving the automobile at the time of the accident. The company may elect not to charge the additional premium for the full policy period

## **3. Driving Experience**

An operator new to Massachusetts must provide evidence of licensure from the state or country where the operator was previously licensed in order to assign the correct operator classification under this rule. If electronically available, the company will be responsible for obtaining the motor vehicle operator report from the other state or country. If necessary, a certified English translation may be required. No operator shall be assigned to Class 10 unless the operator has six or more years of driving experience.

The classification assigned to the operator is based on the number of years licensed in the other state or country and the completion of driver training, as established by the evidence of licensure. If no evidence of prior licensure is available, the operator may be assigned to Class 20 (inexperienced principal operator, licensed less than three years, no driver training) or Class 21 (inexperienced occasional operator, licensed less than three years, no driver training). The Massachusetts driving experience will be used thereafter to assign the operator classification.

## **4. Operator Use**

Operators will be classified by the amount of use of an insured automobile:

- Principal Operator – a person who has an operator's license and operates the insured automobile more than any other listed operator as determined by the percentage of use of the automobile.
- Occasional Operator – a person who has an operator's license and operates the insured automobile less than the principal operator.

## **C. Classification Changes**

Classification of each automobile shall be determined by the facts existing as of the effective date of the policy. Premium adjustments shall be made on a pro rata basis if changes occur during the policy period.

## **D. Satisfactory Driver Training Program**

1. Completion and receipt of a certificate under the Massachusetts Driver Education Program prescribed by the Registrar of Motor Vehicles, or
2. The presenting of satisfactory evidence (certificate signed by school officials) that such operators has successfully completed a driver education course in a state other than Massachusetts meeting the following standards:
  - a. The course had the official approval of the State Department of Education or other responsible state agency, and was conducted by:
    - (1) a recognized secondary school, college or university, or

- (2) other school approved and supervised by the State Department of Education or other responsible state agency.
- b. The course was conducted by instructors certified by the State Department of Education or other responsible state agency.
- c. The course was composed of a minimum of thirty clock hours for classroom instruction, plus a minimum of twelve clock hours per student in the practice driving phase.

**RULE 29. RESERVED FOR FUTURE USE**

**RULE 30. PERSONAL INJURY PROTECTION - DEDUCTIBLE OPTIONS**

The policyholder, at his or her option, may elect an amount to be deducted from the amounts otherwise due each person subject to the deduction, under the following conditions:

1. The option of electing a deductible shall be limited to individual insureds and shall apply only to private passenger vehicles as defined in this Section and motor homes owned by such insureds.
2. The eligible policyholder may select a deductible amount of \$100, \$250, \$500, \$1,000, \$2,000, \$4,000 or \$8,000.
3. The deductible applicable to the "Policyholder alone" is the only deductible available if the policyholder is the only member of the household, regardless of the number of vehicles which he owns. Lawfully married individuals having joint ownership and registration of a single motor vehicle which is the only vehicle in the household shall be considered to be an individual for purposes of paragraph 4 of this rule. In such a case the same form of deductible must apply to both of the lawfully married individuals.
4. Either the deductible for the policyholder "alone" or the policyholder and household members is available to a policyholder who has two or more members in his household and there is one motor vehicle in the household.
5. The deductible applicable to the policyholder and household members is the only deductible available for election if there are two or more members in the household, and also two or more motor vehicles insured for Personal Injury Protection by household members.
6. If two or more vehicles are insured under a single policy, the same deductible election shall apply to all vehicles insured under such a policy.
7. As used in this rule, the term "household members" means those persons living in the policyholder's household who are related to the policyholder by blood, marriage or adoption. This includes wards or foster children.

The Personal Injury Protection premium otherwise applicable shall be reduced by the dollar amount determined by applying the percentage shown on the Miscellaneous Rating Factors page to the manual premium.

**RULE 31. TRANSPORTATION OF FELLOW EMPLOYEES**

If a private passenger motor vehicle has a seating capacity of not more than eight passengers other than the driver and is used to carry fellow employees, students or others for a consideration, expressed or implied, to or from, or near their place of employment or education, the premium to be charged shall be the otherwise applicable private passenger automobile premium. For vehicles in excess of eight passengers, refer to the rule for van pools in the commercial automobile manual.

**RULE 32. RESERVED FOR FUTURE USE**

**RULE 33. TOWING AND LABOR COST**

For Private Passenger Automobiles, refer to the Miscellaneous Rating Factors page for limits and premiums. Applicable regardless of the term of the policy or endorsement.

Refer to the assigned insurer's rating procedure for purposes of comparing the MAIP premiums to the assigned insurer's voluntary premiums.

**RULE 34. TRAILERS DESIGNED FOR USE WITH PRIVATE PASSENGER MOTOR VEHICLES**

This equipment includes utility, boat, horse, camping, travel or similar type trailers designed to be pulled by a private passenger auto, motorcycle, pick-up truck, van or similar type vehicle, and if not a home, office, store, display or passenger trailer.

Refer to the Miscellaneous Motor Vehicles page for rating methods and factors.

Refer to Rule 22 to determine vehicle rating group. Use the base list price.

Refer to the assigned insurer's rating procedure for purposes of comparing the MAIP premiums to the assigned insurer's voluntary premiums.

**RULES 35 - 38. RESERVED FOR FUTURE USE**