Are you as smart as you think you are?

Mass Personal Auto and Personal Umbrella

SPONSORED BY VERMONT MUTUAL INSURANCE COMPANY
Are you as smart as … you think you are???

Massachusetts Auto and Personal Umbrella

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With special thanks to the Insurance Services Office, Inc. for advance information, continued support, and permission to use their forms and information.

Which of the following vehicles are NOT eligible for a Massachusetts Personal Auto Policy?

a. 2010 Ford Taurus used by the client in his sales business

b. A 9,000 lb. GVWR Pickup truck used to plow snow in the winter

c. A station wagon used by a self-employed plumber

d. A 9800 lb. cargo van used by you in your delivery business

e. A low speed vehicle as certified by NHTSA
“a” Car/Taurus is eligible even used in business

“b” Car/station wagon used in business by plumber eligible as long as not register under his/her FEIN number

“c” Pickup under 10,000 lbs or with symbol and plowing eligible

“d” Van used to DELIVER is NOT eligible
“e” is eligible if it fits the definition of low speed vehicle.

It is given a MA low speed registration plate and therefore eligible for a MAP.

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” as noted on 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. Refer to Rule 22 to determine the vehicle rating group. 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.

Which of the following registered ownership types would not be eligible for a Massachusetts Personal Auto policy?

a. Irene Morrill d/b/a Morrill’s Cleaning Service – registered to Irene Morrill (the person)

b. Irene Morrill d/b/a Morrill’s Cleaning Service – registered to Morrill’s Cleaning Service which has an federal EIN

c. Irene Morrill (drive to work)

d. Irene Morrill and Erin Goss (pleasure use)

e. Morrill Personal Trust, Irene Morrill Trustee with custody of vehicle
RULE 1. ELIGIBILITY

All individually named vehicles registered under the Massachusetts Compulsory Motor Vehicle Law that are eligible for private passenger motor vehicle insurance under the terms of the Massachusetts Automobile Insurance Plan (MAIP) may be rated in accordance with this manual and written on the Commonwealth Automobile Reinsurers (CAR) Massachusetts Automobile Insurance Policy.

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 or rented to others.

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-0070-5, “Coverage For Anyone Driving An Auto To You,” must be attached to the policy.

“a” is eligible – registered to person

“b” NOT eligible as FEIN involved – not really considered an “individual”

“c” is eligible – person and eligible use

“d” is eligible – two people eligible use
"e" is eligible IF The company WANTS to issue policy ... even with MAIP

The "household member" definition under the MAP includes which of the following?

a. Your resident daughter

b. Your son currently serving in the Military – his first tour of duty

c. The live-in nanny

d. Your sister from Iowa who visits you for the summer

e. 18 year old foreign exchange student’ living in your household
2. You or Your – refers to the person(s) named in Item 1 of the Coverage Selections Page.

9. Household Member – means anyone living in your household who is related to you by blood, marriage or adoption. This includes wards, step-children or foster children.

“a” - Resident daughter IS a household member – lives with you and related to you

“b” - Son serving in military is an insured – household member – still considered living with you until emancipated

“c” - Nanny – might live with you but NOT related – not a household member

“d” - Visiting sister …might be related but NOT really “living” with you …just VISITING you – not a household member

“e” a foreign exchange student does NOT fit the definition – not a household member – not related, not ward, not foster child or step child
Son in military ...still a household member ... just might not have to “rate”

The definition of “trailer” under the MAP would not include:

a. The utility trailer you purchased to haul your trash to the town dump. You haul it with your station wagon

b. Your 5,000 lb. GVWR hay wagon used with your pickup truck

c. Your 12,000 lb. GVWR Camper trailer pulled by your pickup truck

d. That 12,000 lb. GVWR camper trailer is NOW permanently kept at camp ground.

e. You camper trailer parked in your back yard
4. Auto – means a land motor vehicle or trailer but does not include:
   A. Any vehicle operated on rails or crawler treads.
   B. Any vehicle or trailer while it is located for use as a residence or premises. We will consider such a vehicle to be an auto while it is being used on public roads, or for recreational use.
   C. A farm tractor or other equipment designed for use principally off public roads. We will consider a tractor or other equipment to be an auto while it is being used on public roads.
   D. Any vehicle not subject to Massachusetts Motor Vehicle registration such as a moped, dirt bike, mini-bike, snowmobile or an all-terrain vehicle (ATV).

6. Trailer – means a vehicle designed to be pulled by a private passenger auto, motorcycle, pick-up truck, van, or similar vehicle and designed for use on public roads. This includes a farm wagon or a farm implement.

   “a” The utility trailer fits the definition since it will be pulled by the station wagon.

   “b” The haywagon ...a farm wagon ...is an allowed trailer as it will be pulled by the pickup truck.

   “c” The 12000 lb. GVWR camper trailer is an allowed trailer as it also will be pulled by a station wagon.

   “d” The same trailer ...now stationary ...permanently at a camp ground is NO LONGER a “trailer” ...in fact it is no longer an “auto” per the definition of auto in the MAP.
4. Auto – means a land motor vehicle or trailer but does not include:
   A. Any vehicle operated on rails or crawler treads.
   B. Any vehicle or trailer while it is located for use as a residence or premises. We will consider such a vehicle to be an auto while it is being used on public roads, or for recreational use.
   C. A farm tractor or other equipment designed for use principally off public roads. We will consider a tractor or other equipment to be an auto while it is being used on public roads.
   D. Any vehicle not subject to Massachusetts Motor Vehicle registration such as a moped, dirt bike, mini-bike, snowmobile or an all-terrain vehicle (ATV).

6. Trailer – means a vehicle designed to be pulled by a private passenger auto, motorcycle, pick-up truck, van, or similar vehicle and designed for use on public roads. This includes a farm wagon or a farm implement.

“e” is a trailer since we have determined it is pullable by a private passenger auto ... and the previous restriction doesn’t apply as it is NOT being used as a residence or premises

The definition of “your auto” in the MAP would not include which of the following?

a. The utility trailer that is not shown on the Coverage Selections Page

b. You just took title to a pickup truck retro-fitted with a dump body. It is a replacement for the Ford pickup truck that you traded in

c. An additional auto (Toyota Corolla) that you took title to 4 days ago that you are driving with a New Hampshire temporary plate. It is not shown on the Coverage Selections Page

d. The car you had to rent because your Cadillac (shown on CSP above) broke down

e. Your dump truck that is currently on the MAP Coverage Selections Page
### 5. Your Auto – means:

A. The vehicle or vehicles described on the Coverage Selections Page.

B. Any auto while used as a temporary substitute for the described auto while that auto is out of normal use because of a breakdown, repair, servicing, loss or destruction. But the term “your auto” does not include a substitute vehicle owned by you or your spouse.

C. A private passenger auto, trailer, motorcycle, pick-up truck, van or similar vehicle, to which you take title or lease as a permanent replacement for a described auto or as an additional auto. We provide coverage for an additional auto only if you ask us to insure it within seven days after you take title or the effective date of the lease.

If a replacement or additional auto is a pick-up truck, van or similar vehicle, it must not be used for the delivery or transportation of goods or materials unless such use is incidental to your business of installing, maintaining or repairing furnishings or equipment.

Under Parts 1, 2, 3, 4, 5 and 6 the term “your auto” also includes any trailer not described on the Coverage Selections Page as covered under those Parts.

“a” is a “your auto” for Parts 1-6 (assuming you bought them) – a trailer does not need to be on CSP unless want Parts 7,8,9

“B” is NOT a “your auto” as one can only acquire as a replacement or an additional auto a PICKUP truck, private passenger auto, motorcycle, van …NOT A DUMP TRUCK

“C” is a “your auto” as it is a private passenger auto (Toyota Corolla) and an additional vehicle that the insured took title to within the last 7 days – per 5C of the definition

“D” is a “your auto” as it is a temporary substitute for the Cadillac that broke down – per 5b of the definition
5. Your Auto – means:

A. The vehicle or vehicles described on the Coverage Selections Page.

B. Any auto while used as a temporary substitute for the described auto while that auto is out of normal use because of a breakdown, repair, servicing, loss or destruction. But the term “your auto” does not include a substitute vehicle owned by you or your spouse.

C. A private passenger auto, trailer, motorcycle, pick-up truck, van or similar vehicle, to which you take title or lease as a permanent replacement for a described auto or as an additional auto. We provide coverage for an additional auto only if you ask us to insure it within seven days after you take title or the effective date of the lease.

If a replacement or additional auto is a pick-up truck, van or similar vehicle, it must not be used for the delivery or transportation of goods or materials unless such use is incidental to your business of installing, maintaining or repairing furnishings or equipment.

Under Parts 1, 2, 3, 4, 5 and 6 the term “your auto” also includes any trailer not described on the Coverage Selections Page as covered under those Parts.

“e” IS a your auto
As it is SHOWN on the Coverage Selections Page
It SHOULDN’T be …
But it is
There WILL be business use exclusions should it be used for business that will be a problem

Under the MAP, Part I – Compulsory BI will pay for which of the following?

a. The pedestrian that I hit while I’m driving through Boston

b. BI to my friend, Diane, who is a passenger in my vehicle

c. BI to the pedestrian that I hit while driving down Main Street in Concord, New Hampshire

d. BI to the individual I hit while turning around in the “unauthorized area” on the Massachusetts turnpike

e. $40,000 to the one pedestrian I hit in Boston
**Part 1. Bodily Injury To Others**

Under this Part, we will pay damages to people injured or killed by your auto in Massachusetts accidents. The damages we will pay are the amounts the injured person is entitled to collect for bodily injury through a court judgment or settlement. We will pay only if you or someone else using your auto with your consent is legally responsible for the accident. The most we will pay for injuries to one or more persons as a result of bodily injury to any one person in any one accident is $20,000. Subject to this $20,000 limit, the most we will pay for injuries to two or more people as the result of bodily injury to two or more people in any one accident is $40,000. This is the most we will pay as the result of a single accident no matter how many autos or premiums are shown on the Coverage Selections Page.

We will not pay:

1. For injuries to guest occupants of your auto.
2. For accidents outside of Massachusetts or in places in Massachusetts where the public has no right of access.
3. For injuries to any employees of the legally responsible person if they are entitled to Massachusetts workers' compensation benefits.

“a” is covered as it happened in MA …and the person was NOT in your auto

“b” is NOT covered because the injured person was a passenger in your auto

“c” is not covered because it happened outside of Massachusetts

“d” is not covered because it happened where the “public has no right of access”
Part 1. Bodily Injury
To Others

Under this Part, we will pay damages to people injured or killed by your auto in Massachusetts accidents. The damages we will pay are the amounts the injured person is entitled to collect for bodily injury through a court judgment or settlement. We will pay only if you or someone else using your auto with your consent is legally responsible for the accident. The most we will pay for injuries to one or more persons as a result of bodily injury to any one person in any one accident is $20,000. Subject to this $20,000 limit, the most we will pay for injuries to two or more people as the result of bodily injury to two or more people in any one accident is $40,000. This is the most we will pay as the result of a single accident no matter how many autos or premiums are shown on the Coverage Selections Page.

We will not pay:
1. For injuries to guest occupants of your auto.
2. For accidents outside of Massachusetts or in places in Massachusetts where the public has no right of access.
3. For injuries to any employees of the legally responsible person if they are entitled to Massachusetts workers’ compensation benefits.

“e” is ONLY covered to $20,000 as the limit is $20,000 per person and $40,000 per accident.

Which of the following would not be considered “insureds” under YOUR Massachusetts PIP coverage?

a. Passengers in your auto

b. You and Household members when struck by a vehicle that has Massachusetts Compulsory coverage

c. A Massachusetts resident struck by your auto in the state of Maine

d. A New Hampshire resident struck by your auto on Commonwealth Ave in Boston, MA

e. You in rental car in Las Vegas
We will pay PIP benefits to or for:

1. You, or any other person, if injured while occupying your auto with your consent.

2. You, or anyone living in your household, if injured while occupying an auto which does not have Massachusetts Compulsory Insurance or if struck by an auto which does not have Massachusetts Compulsory Insurance.

3. Any pedestrian, including you, if struck by your auto in Massachusetts or any Massachusetts resident who, while a pedestrian, is struck by your auto outside of Massachusetts.

“a” is an insured under your MAP’s PIP because passengers would be “any other person occupying your auto”

We will pay PIP benefits to or for:

1. You, or any other person, if injured while occupying your auto with your consent.

2. You, or anyone living in your household, if injured while occupying an auto which does not have Massachusetts Compulsory Insurance or if struck by an auto which does not have Massachusetts Compulsory Insurance.

3. Any pedestrian, including you, if struck by your auto in Massachusetts or any Massachusetts resident who, while a pedestrian, is struck by your auto outside of Massachusetts.

“b” is NOT an insured under your MAP’s PIP.

PIP follows you/household members but when you are struck by a non-MA car ...or occupying a non-MA car.

When you/HHM are IN a Massachusetts auto you would get the PIP from THAT auto.
If you/HHM STRUCK by a MA auto ...you get your PIP from that MA auto.
“c” is an insured under your MAP’s PIP because when you hunt down a MA resident outside of MA and run them over with YOUR car ... YOUR PIP will respond. Keeps the PIP and BI suit with ONE carrier!

“d” is an insured under your MAP’s PIP because PIP responds to ANY pedestrian you hit within the Commonwealth of MA.

“e” is an insured because your PIP follows you and HHM in non-MA cars (in coverage territory which is all the US states, US possessions, Puerto Rico and Canada
Which of the following statements about your Uninsured Motorists coverage is *false*?

a. Your UM pays damages to you whether you are in your auto or in an auto you do not own

b. If your son is in your car he can have your UM limit if it is higher than the limit that he purchased for himself

c. Your UM coverage will not pay benefits to any occupant of your vehicle if they or a household member has a MAP

d. Your UM will not pay benefits to your household members if they have their own MAP

e. Your UM could respond when you are a pedestrian and struck by an unidentified automobile

“a” is true because your UM ALWAYS follows you .. in fact you CAN’T have the limits of someone else’s vehicle even when you are in it because of item #2... or #3 in the definition of who we pay damaged to
We will pay damages to or for:

1. You, while occupying your auto, while occupying an auto you do not own, or if injured as a pedestrian.

2. Any household member, while occupying your auto, while occupying an auto not owned by you or if injured as a pedestrian. If there are two or more policies which provide coverage at the same limits, we will only pay our proportionate share. We will not pay damages to or for any household member who has a Massachusetts auto policy of another household member providing uninsured auto insurance with higher limits.

3. Anyone else while occupying your auto. We will not pay damages to or for anyone else who has a Massachusetts auto policy of his or her own, or who is covered by any Massachusetts auto policy of another household member providing uninsured auto insurance.

4. Anyone else for damages he or she is entitled to recover because of injury to a person covered under this Part.

If you are injured while occupying your auto and you have two or more autos insured with us with different limits, we will only pay up to the limits shown on your Coverage Selections Page for the auto you are occupying when injured.

If you are injured as a pedestrian or while occupying an auto you do not own and you have two or more Massachusetts auto policies which provide coverage at different limits, the policy with the higher limits will pay. If there are two or more policies which provide coverage at the same limits, we will only pay our proportionate share.

We will not pay damages to or for you, if struck by, or while occupying

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"b" is FALSE because of part 2 of the who we pay damages to portion of UM –

a household member can NEVER get your limits if he/she has her own policy ...

whether or not he/she is in your car or not
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We will pay damages to or for:

1. You, while occupying your auto, while occupying an auto you do not own, or if injured as a pedestrian.

2. Any household member, while occupying your auto, while occupying an auto not owned by you or if injured as a pedestrian. If there are two or more policies which provide coverage at the same limits, we will only pay our proportionate share. We will not pay damages to or for any household member who has a Massachusetts auto policy of another household member providing uninsured auto insurance with higher limits.

3. Anyone else while occupying your auto. We will not pay damages to or for anyone else who has a Massachusetts auto policy of his or her own, or who is covered by any Massachusetts auto policy of another household member providing uninsured auto insurance.

4. Anyone else for damages he or she is entitled to recover because of injury to a person covered under this Part.

If you are injured while occupying your auto and you have two or more autos insured with us with different limits, we will only pay up to the limits shown on your Coverage Selections Page for the auto you are occupying when injured.

If you are injured as a pedestrian or while occupying an auto you do not own and you have two or more Massachusetts auto policies which provide coverage at different limits, the policy with the higher limits will pay. If there are two or more policies which provide coverage at the same limits, we will only pay our proportionate share.

We will not pay damages to or for you, if struck by, or while occupying

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"c" is true based on item #3 of the definition ...

all occupants must go to a policy in their name

Or

a HHM's name
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"d" is true based on item #2 of the definition – again, HHM MUST go to his/her policy 1st if none Then to another HHM’s policy with UM limits

"e" is true because your UM will respond when you are a pedestrian and hit by an uninsured motor vehicle
An uninsured motor vehicle is:
One without insurance (uninsured)
Hit and run
Other company denied BI claim
Other company insolvent

Which of the following statements is false regarding Part 4, Property Damage in the MAP?

a. PD will not respond when you damage property that you own
b. PD only covers you when driving an auto you do not own, not your household members if they have their own MAP
c. PD will not respond when you use your auto as a taxi
d. PD only covers property damage to property of others, but not the loss of use of the property
e. Your PD will respond if you get sued because someone got in an accident driving their OWN car while doing an errand for YOU
"a" is true as exclusion #6 removes coverage for damage to owned property

"b" is false because your Part 4 WILL follow your kids ...even if they have their OWN vehicle as long as they are not driving a vehicle that
1) they own
2) that another family member owns
3) they use TOO much
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.

We will not pay for property damage which occurs:

1. While your auto is being used as a public or livery conveyance. This does not apply to the use of your auto in a share-the-expense car pool arrangement or in an expense reimbursement program either as a volunteer or at work.

2. While any auto is being used by anyone in the course of his or her employment in the business of selling, servicing, repairing or parking autos. This exclusion does not apply to the ownership, maintenance or use of your auto by you or a household member.

3. While anyone is using a vehicle in the course of any business other than the business of selling, servicing, repairing or parking autos. This exclusion does not apply to private passenger autos, or to pick-up trucks, vans, or similar vehicles.

“c” is true because exclusion #1 says no coverage if car used as public or livery conveyance (taxi is such a vehicle)

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.

“d” is false because Part 4 provides coverage for
1) Damage TO property of others
2) Loss of use of that property
3) Sales tax for that damaged property
“e” is true because Part 4 covers you and household members if you are “legally responsible”

Which can mean

- driving your auto
- borrowing/renting an auto
- someone using an auto on your behalf

Which of the following statements are true about optional Bodily Injury, Part 5 under YOUR MAP?

a. You are covered when you injure a fellow employee with your auto

b. Part 5 expands your auto BI limits to whatever limits are necessary in other states or Canadian provinces, but this coverage does not apply to PD

c. Your Part 5 is primary when you borrow another auto insured in Massachusetts

d. Your Part 5 follows your resident son who rents a Ford Focus while on Spring break in Daytona Beach, FL

e. Your Part 5 covers you when you use a vehicle that you do not own but NOT if you use it too much
11/12/2012

Part 5. Optional Bodily Injury to Others

Under this Part, we will pay damages to people injured or killed in accidents if you or a household member is legally responsible for the accident. We will also pay damages if someone else using your auto with your consent is legally responsible for the accident. The damages we will pay are the amounts the injured person is entitled to collect for bodily injury through a court judgment or settlement.

We will not pay:

1. For injuries to employees of the person using the auto who are injured in the course of employment.

2. For injuries resulting from an accident while a household member, other than your spouse, is using an auto which you or any household member owns or uses regularly, unless a premium for this Part is shown for that auto on the Coverage Selections Page.

3. For injuries resulting from an accident while you or your spouse, if a household member, is using an auto which you or your spouse, if a household member, owns or uses regularly, unless a premium for this Part is shown for that auto on the Coverage Selections Page.

“a” is true because the exclusion #1 regarding employees only applies to YOUR employees ... implying you are the employer ... not the “co-worker”

Part 5. Optional Bodily Injury to Others

Under this Part, we will pay damages to people injured or killed in accidents if you or a household member is legally responsible for the accident. We will also pay damages if someone else using your auto with your consent is legally responsible for the accident. The damages we will pay are the amounts the injured person is entitled to collect for bodily injury through a court judgment or settlement.

If the accident occurs in any other state or in a Canadian province and you have purchased any coverage at all under this Part, your policy will automatically apply to that accident, as follows, if the state or province has:

1. A financial responsibility law or similar law requiring limits of liability for bodily injury or property damage higher than the limits you have purchased, your policy will provide the higher required limits.

2. A compulsory insurance or similar law requiring your auto to have insurance whenever it is used in the state or province, your policy will provide at least the required minimum amounts and types of coverage.

“b” is false because the “extra territorial” coverage applies to BI and PD
Part 5, Optional Bodily Injury to Others

Under this Part, we will pay damages to people injured or killed in accidents if you or a household member is legally responsible for the accident. We will also pay damages if someone else using your auto with your consent is legally responsible for the accident. The damages we will pay are the amounts the injured person is entitled to collect for bodily injury through a court judgment or settlement.

If someone covered under this Part is using an auto he or she does not own at the time of the accident, the owner’s auto insurance must pay its limits before we pay. Then, we will pay for any damages not paid by that insurance, up to the policy limits shown on your Coverage Selections Page. However, if the claim is covered by us and another auto policy, we will pay only our proportionate share of those damages not paid by the owner’s auto insurance.

“c” is false because when you or a household member is using a non-owned vehicle ...

the insurance on that vehicle MUST pay first .... if there is any ... your policy is “excess”

Part 5, Optional Bodily Injury to Others

Under this Part, we will pay damages to people injured or killed in accidents if you or a household member is legally responsible for the accident. We will also pay damages if someone else using your auto with your consent is legally responsible for the accident. The damages we will pay are the amounts the injured person is entitled to collect for bodily injury through a court judgment or settlement.

“d” is true because the insuring agreement states your Part 5 applies to:

You

and

household members if legally responsible.
"e" is true because the "2" for household members and "3" for you exclude "regular use" of non-owned autos

Which statements are **true** regarding your optional BI coverage? (assume all drivers are listed)

- a. It does not cover your resident son when he drives a borrowed auto
- b. It covers you if you borrow your resident daughter's vehicle – you hardly ever use it
- c. It covers you when you rent an auto for a two week vacation
- d. It covers your resident son when he borrows his resident sister's vehicle
- e. Will respond to pedestrian you hit while you are using your van to deliver items in your courier business
### Part 5. Optional Bodily Injury to Others

Under this Part, we will pay damages to people injured or killed in accidents if you or a household member is legally responsible for the accident. We will also pay damages if someone else using your auto with your consent is legally responsible for the accident. The damages we will pay are the amounts the injured person is entitled to collect for bodily injury through a court judgment or settlement.

We will not pay:

1. For injuries to employees of the person using the auto who are injured in the course of employment.
2. For injuries resulting from an accident while a household member, other than your spouse, is using an auto which you or any household member owns or uses regularly, unless a premium for this Part is shown for that auto on the Coverage Selections Page.
3. For injuries resulting from an accident while you or your spouse, if a household member, is using an auto which you or your spouse, if a household member, owns or uses regularly, unless a premium for this Part is shown for that auto on the Coverage Selections Page.

### “a” is FALSE … because YOUR MAP DOES cover your son when he is using a vehicle he does not own … as long as he doesn’t use it “too much” (regularly)

### “b” is true because exclusion #3 would only exclude your use of your daughter’s vehicle if you borrowed/used it “regularly”
Part 5.
Optional Bodily Injury to Others

Under this Part, we will pay damages to people injured or killed in accidents if you or a household member is legally responsible for the accident. We will also pay damages if someone else using your auto with your consent is legally responsible for the accident. The damages we will pay are the amounts the injured person is entitled to collect for bodily injury through a court judgment or settlement.

We will not pay:
1. For injuries to employees of the person using the auto who are injured in the course of employment.
2. For injuries resulting from an accident while a household member, other than your spouse, is using an auto which you or any household member owns or uses regularly, unless a premium for this Part is shown for that auto on the Coverage Selections Page.
3. For injuries resulting from an accident while you or your spouse, if a household member, is using an auto which you or your spouse, if a household member, owns or uses regularly, unless a premium for this Part is shown for that auto on the Coverage Selections Page.

“c” is true because the insuring agreement states there is coverage if you are “legally responsible” – as long as you haven’t rented it “too long” you can come back to your MAP.

Part 5.
Optional Bodily Injury to Others

Under this Part, we will pay damages to people injured or killed in accidents if you or a household member is legally responsible for the accident. We will also pay damages if someone else using your auto with your consent is legally responsible for the accident. The damages we will pay are the amounts the injured person is entitled to collect for bodily injury through a court judgment or settlement.

We will not pay:
1. For injuries to employees of the person using the auto who are injured in the course of employment.
2. For injuries resulting from an accident while a household member, other than your spouse, is using an auto which you or any household member owns or uses regularly, unless a premium for this Part is shown for that auto on the Coverage Selections Page.
3. For injuries resulting from an accident while you or your spouse, if a household member, is using an auto which you or your spouse, if a household member, owns or uses regularly, unless a premium for this Part is shown for that auto on the Coverage Selections Page.

“d” is false because exclusion #2 states that YOUR MAP will NOT cover a household member who uses a vehicle owned by a household member.
Part 5. Optional Bodily Injury to Others

Under this Part, we will pay damages to people injured or killed in accidents if you or a household member is legally responsible for the accident. We will also pay damages if someone else using your auto with your consent is legally responsible for the accident. The damages we will pay are the amounts the injured person is entitled to collect for bodily injury through a court judgment or settlement.

We will not pay:

5. While anyone is using a vehicle in the course of any business other than the business of selling, servicing, repairing or parking autos. This exclusion does not apply to private passenger autos, or to pick-up trucks, vans, or similar vehicles not used for the delivery or transportation of goods or materials unless such use is incidental to your business of installing, maintaining, or repairing furnishings or equipment.

“e” is false because your Part 5 (exclusion #3 in part 4) will NOT respond when you use your pickup or van to deliver … unless delivery incidental to your business … if you are a courier … delivery is NOT “incidental”

Which of the following statements are true regarding Part 6 Medical Payments

a. Part 6 will not cover you when you rent a car
b. Your MP will cover injuries to your guests when your camper trailer is set up on a campsite for year round use
c. MP will respond to medical bills for up to three years after the date of the accident
d. Your MP will cover benefits payable under PIP that are not paid under PIP due to your selection of a PIP deductible
e. A company does NOT have to offer MP over $5,000
"a" is false because the insuring agreement section tells us that MP covers you and household members when "occupying someone else's auto"

"b" is false because exclusion #1 states no coverage if vehicle placed off road to use as residence
Part 6. Medical Payments

Under this Part, we will pay reasonable expenses for necessary medical and funeral services incurred as a result of an accident.

We will pay for expenses resulting from bodily injuries to anyone occupying your auto at the time of the accident. We will also pay for expenses resulting from bodily injuries to you or any household member if struck by an auto or if occupying someone else's auto at the time of the accident.

We will not pay for expenses incurred more than two years after the date of the accident. We will not pay under this Part for any expenses that are payable, or would have been payable except for a deductible, under the PIP coverage of this policy or any other Massachusetts auto policy.

“c” is false because MP only lasts TWO years

Part 6. Medical Payments

Under this Part, we will pay reasonable expenses for necessary medical and funeral services incurred as a result of an accident.

We will pay for expenses resulting from bodily injuries to anyone occupying your auto at the time of the accident. We will also pay for expenses resulting from bodily injuries to you or any household member if struck by an auto or if occupying someone else's auto at the time of the accident.

We will not pay for expenses incurred more than two years after the date of the accident. We will not pay under this Part for any expenses that are payable, or would have been payable except for a deductible, under the PIP coverage of this policy or any other Massachusetts auto policy.

“d” is false because MP will NOT “fit” into a hole you created with a PIP deductible.
"e" is true because mandatory offer is $5,000 – but anything higher is up to insurance company

To which of the following will Part 7 Collision in the MAP respond?

a. Your son who received his license 30 days ago had an accident while driving your car. He is NOT a listed driver

b. A car your son rented while he was on vacation. Your son is a deferred operator to his own policy which does not have collision

c. You drive your son’s car. His car doesn’t have collision

d. Collision damage to a camper body that is not listed on the policy

e. Client wants company to make up for reduced trade in value dealer gave because her car was in an accident
### Part 7. Collision

Under this Part, we will pay for any direct and accidental damage to your auto caused by a collision. 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. It does not matter who is at fault. We will pay the cost to physically repair the auto or any of its parts up to the actual cash value of the auto or any of its parts at the time of the collision. The most we will pay will be either the actual cash value of the auto or the cost to physically repair the auto, whichever is less. We will, at our option, repair the auto, repair or replace any of its parts, or declare the auto a total loss. If the repair of a damaged part will impair the operational safety of the auto we will replace the part.

We will not pay for a loss for an accident which occurs while your auto is being operated by a household member who is not listed as an operator of this policy. Payment is withheld when the household member, if listed, would require the payment of additional premium on this policy because:

1. the household member would be classified as an inexperienced operator, or
2. more points would be assigned under a merit rating plan.

You must notify us within 60 days after a person who will operate your auto becomes a household member if that person was not a household member on the effective date of your policy. In the same manner, you must notify us if a household member, who will operate your auto, becomes a licensed operator.

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"a" - the policy will respond since the household member who would have increased the policy premium was licensed less than 60 days ago ... on day 61 ... if not listed ... no Part 7 (or 8)

---

"b" policy would respond because YOUR policy covers you and household members when "using other autos".

It doesn’t matter that your son has his own policy.

If his policy had collision then BOTH your policy and his policy would respond AFTER the insurance on the borrowed/rented vehicle paid.
**Part 7. Collision**

Under this Part, we will pay for any direct and accidental damage to your auto caused by a collision. 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. It does not matter who is at fault. We will pay the cost to physically repair the auto or any of its parts up to the actual cash value of the auto or any of its parts at the time of the collision. The most we will pay will be either the actual cash value of the auto or the cost to physically repair the auto, whichever is less. We will, at our option, repair the auto, repair or replace any of its parts, or declare the auto a total loss. If the repair of a damaged part will impair the operational safety of the auto we will replace the part.

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 of organized racing speed, stunt or demolition contest or activity or in practice or preparation for any such contest or activity.

“c” - policy will NOT respond under Part 7 when you drive your son’s car.

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Camper bodies are not covered under this Part unless specifically shown on the Coverage Selections Page or by endorsement. An additional premium will be charged for insuring a camper body.

“d” - MAP Part 7 will NOT respond to Camper bodies UNLESS they are on the policy Coverage Selections page.
Part 7. Collision

Under this Part, we will pay for any direct and accidental damage to your auto caused by a collision. 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. It does not matter who is at fault. We will pay the cost to physically repair the auto or any of its parts up to the actual cash value of the auto or any of its parts at the time of the collision. The most we will pay will be either the actual cash value of the auto or the cost to physically repair the auto, whichever is less. We will, at our option, repair the auto, repair or replace any of its parts, or declare the auto a total loss. If the repair of a damaged part will impair the operational safety of the auto we will replace the part.

“e” - MAP Part 7 will NOT respond to the diminished value client suffers because car was in an accident and fixed.

Which of the following statements is true regarding the Operator Exclusion Endorsement?

a. The designated operator is only excluded from specific vehicles

b. If one of the excluded vehicles is replaced with a different one during the policy term, the operator exclusion endorsement does not apply to that replaced vehicle

c. If the excluded operator drives the specified vehicle the company can deny all optional coverages

d. If the excluded operator rented a car for a week’s vacation, the policy could apply to that situation.

e. If the operator is NOT excluded and regularly drives his roommate’s car – Dad’s MAP will respond
“a” is true because one lists the operator to be excluded and the vehicles from which he/she is excluded.

“b” is FALSE because it states that the excluded operator will not drive the specified vehicles … or ANY REPLACEMENT thereof.

“c” is true because it states that all optional coverages can be denied and Parts 3 and 4 can be reduced to what “we are required to sell”.
"d" is true because the operator is excluded from a specific vehicle(s).

If the operator does NOT use these vehicles …then there is no “false information”.

If the operator is added back on when he/she does... then there is no “false information”.

The policy normally “follows” a household member when driving non-owned autos … as long as they don’t drive them …too much.

“e” is FALSE because the MAP itself excludes “regular use”.

Remember the exclusion

Under Parts 4,5,6,7,8,9
Which of the following statements concerning the Umbrella policy is false?

a. The Umbrella carrier mandates underlying insurance policies and these usually include automobile and homeowners policies

b. The umbrella carrier not only mandates what types of underlying policies you will buy but also what underlying limits you must carry

c. A self insured retention acts like a “deductible” in certain situations

d. An umbrella policy can provide liability coverages for exposures not covered in underlying policies

e. Everyone is eligible for a PUP

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**Primary Residence Only - Requires Homeowners or Comprehensive Personal Liability**

- $300,000 per occurrence

**Seasonal, Secondary or Rental Properties Require Premises Liability or Comprehensive Personal Liability**

- $500,000 per occurrence

**Note:** Residential properties that are covered under a commercial or other non-personal premises liability policy are excluded from coverage.

**Farmowners or Farm Comprehensive Personal Liability**

(Required only if you or any member of your household own a farm which is not covered by your homeowners policy)

- $300,000 per occurrence

**Unlicensed Recreational Vehicles**

(Including snowmobiles, ATVs, golf carts, etc.)

(Required only if you or a member of your household own or acquire an unlicensed recreational vehicle during the policy period that is not covered by your homeowners or personal liability policy for the following limits of liability)

- $100,000 Combined Single Limit per occurrence ($325,000 in Texas)
- $100,000/$300,000/$100,000

**Watercraft**

(Including boats, personal watercraft, jet skis and canoes)

(Required only if you or a member of your household own or acquire a watercraft during the policy period that is not covered by your homeowners or personal liability policy for the following limits of liability)

- $300,000 Combined Single Limits
- $250,000/$500,000/$100,000
- $100,000/$300,000/$100,000

**NOTE:** The RLI Personal Umbrella does not provide coverage for watercraft exceeding 45 ft and/or 60 mph. This exclusion does not apply to personal watercraft.

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"a" is true – an umbrella company will demand certain underlying policies to be in force or the umbrella carrier will not provide coverage.
"b" is true because an umbrella carrier will also require that these underlying policies have specific minimum limits of insurance

L. Self Insured retention means the amount shown in the Declarations that anyone covered by this policy must pay for injury before we pay any amount under this policy. This amount applies if the Basic Policies do not provide coverage for the Occurrence, but coverage is afforded under this policy.

"c" is true when the umbrella responds to situations where an underlying policy is NOT required then it responds over a SIR ...

self insured retention (deductible)
"d" is true ... a true umbrella provides coverages beyond what the underlying policies do such as worldwide auto

"e" is FALSE... every carrier has its own eligibility criteria
Assume a personal umbrella policy limit of $1,000,000.

The required underlying homeowners limit is $300,000 which is carried by the client.

The self-insured retention is $250.

If there is a covered HO liability claim with a judgment of $500,000, what will the Umbrella pay?

The answer is .... $200,000

The underlying limit requirement is $300,000 and that has been met.

The Umbrella carrier looks to see if the insured carried MORE than the underlying limit requirement. They did not...

The umbrella carrier subtracts the underlying limit requirement from the judgment and pays the difference.

$500,000 - $300,000 = $200,000
The answer is …. $200,000

The underlying limit requirement is $300,000 and that has been met.

The Umbrella carrier looks to see if the insured carried MORE than the underlying limit requirement. They did not...

The umbrella carrier subtracts the underlying limit requirement from the judgment and pays the difference.

$500,000 - $300,000 = $200,000

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<thead>
<tr>
<th>Umbrella policy limit</th>
<th>$2,000,000</th>
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</thead>
<tbody>
<tr>
<td>Auto underlying limit requirement</td>
<td>$250/500/100</td>
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<tr>
<td>Auto Limit carried</td>
<td>$100/300/100</td>
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Pedestrian struck - settlement $500,000 Covered auto claim (claim also covered by underlying policy)

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<tr>
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<td>Pedestrian struck - settlement $750,000 Covered auto claim (claim also covered by underlying policy)</td>
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<td>Umbrella carrier pays?</td>
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<tr>
<td>Insured pays?</td>
<td>0</td>
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</tbody>
</table>

**Example where Covered Umbrella claim NOT subject to underlying limit requirement - Self Insured Retention applicable**

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<td>HO Limit carried</td>
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</tbody>
</table>

(Premises swimming pool accident. Injured party awarded $500,000 – covered under both underlying and umbrella)

- HO carrier pays: $500,000
- Umbrella carrier pays: 0
- Insured pays: 0

Irene Morrill  imorrill@massagent.com