

HOUSE No. 1037

The Commonwealth of Massachusetts

PRESENTED BY:

Carl M. Sciortino, Jr.

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act providing consumer choice and environmental protection by authorizing pay by the mile auto insurance.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Carl M. Sciortino, Jr.	34th Middlesex
William N. Brownsberger	24th Middlesex
Denise Provost	27th Middlesex

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 1079 OF 2007-2008.]

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT PROVIDING CONSUMER CHOICE AND ENVIRONMENTAL PROTECTION BY AUTHORIZING PAY BY THE MILE AUTO INSURANCE.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority
of the same, as follows:*

1 SECTION 1.

2 *Whereas* accident costs are primarily produced by driving cars and not by owning them, and;

3 *Whereas* charging insurance as an ownership cost under the current time period insurance method results
4 in such serious problems as unaffordable insurance, likely unreliable risk-cost data, and insufficient
5 incentives to reduce vehicle miles traveled, and;

6 *Whereas* vehicle miles driven directly correlates with global warming emissions and other pollutants,

7 Therefore,

8 SECTION 2. Section 113B of chapter 175 of the General Laws is hereby amended by adding at the end
9 thereof the following:-

10 The Executive Office of Energy and Environmental Affairs shall complete a study to assess the benefits
11 of allowing drivers to purchase automobile insurance on a “pay as you drive” or “cost per mile” basis in
12 coordination with the Division of Insurance. This study shall analyze the correlation between miles
13 driven, accident frequency, and the cost of claims and shall utilize the Commonwealth’s existing mileage
14 and claims data, which is maintained by the Registry of Motor Vehicles and the Automobile Insurers
15 Bureau, respectively. Said study shall be completed and shall be submitted to the Joint Committee on
16 Financial Services and the Joint Committee on Environment, Natural Resources and Agriculture no later

17 than January 1, 2010. The mileage and claims data and the results of this study shall be available to the
18 public by request and shall be posted on the websites of the Division of Insurance and Executive Office of
19 Energy and Environmental Affairs.

20 In order to advance the goals of reducing pollution, traffic congestion and accident rates through the
21 creation of incentives for car owners to reduce vehicle miles traveled, if the study of “pay as you drive”
22 insurance required under this chapter demonstrates that “pay as you drive” insurance is feasible, the
23 Commissioner of Insurance shall require insurance companies to offer “pay as you drive” insurance to all
24 drivers in the state beginning July 1, 2010.