HOUSE DOCKET, NO. 866 FILED ON: 1/19/2011

HOUSE . . . . . No. 326

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:

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*
Frank I. Smizik	*15th Norfolk*
Carolyn C. Dykema	*8th Middlesex*
Jonathan Hecht	*29th Middlesex*

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HOUSE . . . . . No. 326

By Mr. Sciortino of Medford, petition (accompanied by bill, House, No. 326) of Carl M. Sciortino and others relative to providing for pay by the mile motor vehicle insurance. Financial Services.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
HOUSE
, NO. *1037* OF 2009-2010.]

The Commonwealth of Massachusetts

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:

SECTION 1.

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

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

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

Therefore,

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

The Executive Office of Energy and Environmental Affairs shall complete a study to assess the benefits of allowing drivers to purchase automobile insurance on a “pay as you drive” or “cost per mile” basis in coordination with the Division of Insurance. This study shall analyze the correlation between miles driven, accident frequency, and the cost of claims and shall utilize

16 the Commonwealth's existing mileage and claims data, which is maintained by the Registry of
17 Motor Vehicles and the Automobile Insurers Bureau, respectively. Said study shall be
18 completed and shall be submitted to the Joint Committee on Financial Services and the Joint
19 Committee on Environment, Natural Resources and Agriculture no later than January 1, 2012.
20 The mileage and claims data and the results of this study shall be available to the public by
21 request and shall be posted on the websites of the Division of Insurance and Executive Office of
22 Energy and Environmental Affairs.

23 In order to advance the goals of reducing pollution, traffic congestion and accident rates
24 through the creation of incentives for car owners to reduce vehicle miles traveled, if the study of
25 "pay as you drive" insurance required under this chapter demonstrates that "pay as you drive"
26 insurance is feasible, the Commissioner of Insurance shall require insurance companies to offer
27 "pay as you drive" insurance to all drivers in the state beginning July 1, 2012.