

**HOUSE . . . . . No. 1037**

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**The Commonwealth of Massachusetts**

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**In the Year Two Thousand Nine**  
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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,  
3 and;

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

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

9 Therefore,

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

12           The Executive Office of Energy and Environmental Affairs shall complete a study to  
13 assess the benefits of allowing drivers to purchase automobile insurance on a “pay as you drive”  
14 or “cost per mile” basis in coordination with the Division of Insurance. This study shall analyze  
15 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, 2010.  
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, 2010.