

SENATE No. 522

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act reducing automobile insurance costs and premiums in the Commonwealth...

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. Legislative Findings.

2 Whereas, automobile insurance is a significant, legally mandated household expense,
3 without which consumers place their financial security and livelihood at risk;

4 Whereas, Massachusetts drivers have the highest accident rate in the nation, which is the
5 main factor driving the increase in insurance premiums;

6 Whereas, the most common consumer complaint about automobile insurance in
7 Massachusetts concerns its high cost;

8 Whereas, reform to the state's automobile insurance regulatory system must first be to
9 reduce the cost of premiums;

10 Whereas, the most effective way to reduce Massachusetts automobile insurance
11 premiums is to focus on reducing the underlying costs of our auto insurance system, including
12 the state's high rate of accidents;

Therefore, Massachusetts must identify and adopt a comprehensive plan to reduce the state's underlying costs, including our highest-in-the-nation accident rate; and the reforms to reduce the state's costs and accident rate must involve state and local government, the insurance industry, police, drivers and insurance regulators.

SECTION 2. There shall be a special commission to investigate and study the impact and effects of automobile accidents in Massachusetts on automobile insurance premiums and to develop a comprehensive plan to lower the state's accident rate. The commission's plan shall also examine any other factors that affect the underlying costs, and therefore the premiums, of our auto insurance system. This commission shall submit a report detailing this plan, together with analyses of costs and drafts of legislation necessary to implement the recommendations, to the clerk of the house representatives who shall forward the same to the joint committee on insurance and the house and senate committees on ways and means no later than 180 days after the passage of this law. This investigation, study and report shall include, but not be limited to, a review of the following potential reforms:

Identifying and redesigning the most dangerous intersections in the state;

Adopting a primary seatbelt law;

Informing drivers clearly and regularly about the full cost of at-fault accidents, speeding tickets, and other traffic violations on individual automobile insurance rates;

Improving enforcement of traffic violations in conjunction with a review of existing traffic restrictions to ensure that they are appropriate, reasonable, and not unnecessarily restrictive such that they dilute the weight of their public safety purpose;

Discounts for safer vehicles;

Discounts for individuals who participate in driver education programs;

Initiatives to combat drunk-driving;

Discounts for consumers who agree to use their own health insurance in case of accident related injuries;

Improving traffic lane markings, traffic lights and signals, and road/street signs;

Prohibiting the use of wireless phones while driving;

Making it easier for consumers to switch auto insurers;

Disclosing and making accessible better and more information about any/all discounts companies are offering; and

Eliminating incentives to engage in fraudulent activities, revising existing penalties for committing fraud, and increasing enforcement aimed at eliminating fraud.

SECTION 3. The commission shall consist of 21 members, including the legislative chairs of the joint committee on financial services, or designees; 2 members of the house appointed by the speaker of the house; 2 members of the senate appointed by the senate president; the attorney general or designee; the commissioner of insurance, or designee; the director of the Office of Consumer Affairs and Business Regulation, or designee; the director of the State Rating Bureau, or designee; 2 representatives of the automobile insurance industry to be appointed by the senate president; the mayors of Lawrence and Boston or designees; a representative from MASSPIRG; a representative from the Center for Insurance Research; a

54 representative from AARP; a representative from the Insurance Fraud Bureau; a representative
55 each from the state and municipal police departments; and the director of the Highway Safety
56 Bureau, or designee.