

Pre-Insurance Inspection Guidelines

Description Pre-Insurance Inspection (often called the “pre-inspection”) refers to the examination of a motor vehicle by a qualified inspection station.

Inspection Requirements In accordance with Massachusetts Regulation 211 CMR 94.03, Safety’s pre-insurance inspection requirements are as follows:

All private passenger motor vehicles for which collision, limited collision, and/or comprehensive coverage is requested must be inspected.

This requirement applies to new business applications, endorsement requests for additional vehicles, or transfers of vehicles, and to vehicles where physical damage coverage is being amended or is being added. This requirement also applies to any vehicle insured on a commercial policy that qualifies under the definition of private passenger motor vehicle.

Agency’s Responsibility

Your responsibilities regarding pre-insurance inspections are as follows:

1. Determine which vehicles must have a pre-insurance inspection. (Inspection Requirements are included in this section.)
2. Advise the insured of the requirement for pre-insurance inspection as follows:

Important: The following are MANDATORY requirements of the Regulation.

- A. Immediately have the insured sign the Acknowledgment of Requirement for Pre-Insurance Inspection, Form D. Keep the form in your agency files.

If the insured applied by mail or by phone: Complete the Notice of Mandatory Pre-Insurance Inspection Requirement, Form B and mail the original to the insured. Complete a Certificate of Mailing to record the notification. Keep one copy of the inspection notice in your file with the Certificate of Mailing. (See 211 CMR 94.03, Definitions: Certificate of Mailing.)

- B. Give the insured a list of sites where the inspection can be completed.
 - C. Advise the insured of the consequences of failing to obtain a timely inspection. Record this and your name in your files. If you fail to adequately perform your duties regarding Pre-Inspection procedures, you may be held responsible or charged back.
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Pre-Insurance Inspection Guidelines, Continued

Coverage Suspensions

Failure to comply with pre-insurance inspection requirements will result in suspension of coverage.

In accordance with Regulation 211 CMR 94:07, if the insurer defers the inspection for ten days and the vehicle is not inspected in the time required, coverage is automatically suspended.

Note: The following schedule is a guide only. Please rely on your records when verifying coverage for claims.

Safety's procedure for tracking and processing suspensions is as follows:

- Day 1 Transaction Date (coverage effective date)
 - Day 11 Suspension Date. This date is equal to eleven days after the transaction date, not including Sundays and legal holidays, and/or date the insured has been notified of the requirement of pre-insurance inspection.
 - Day 15 If Safety has no record of receiving a completed pre-insurance inspection, a suspension letter is generated and mailed to the insured, agent, and any lienholder.
 - Day 35 If the pre-insurance inspection has not been received, Safety will process an endorsement removing the Physical Damage coverage from the policy effective on the suspension date.
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Inspection Completed After Coverage Is Suspended

In accordance with Regulation 211 CMR 94.09, if the insured completes the inspection, the insured must return the completed inspection to the agency **and pay the additional premium for the coverage before the coverage is granted.** Please verify that the pre-inspection is not more than 14 days old and verify that no losses have occurred. If the pre-inspection is more than 14 days old, a new pre-inspection should be completed before coverage is granted.

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Pre-Insurance Inspection Guidelines, Continued

Inspection Exemptions and Waivers

Complete the Exemption or Waiver of Pre-Inspection form for those vehicles that do not require a pre-insurance inspection.

All vehicles must be inspected unless a waiver is granted for another reason.



If you subject a vehicle to inspection when it qualifies for an exemption, you could be held responsible for any resulting costs.

You must call or email your underwriter and receive approval before a hardship exemption will be granted. State the reason, and who approved the exemption in writing and keep it in your file.

If you fail to obtain approval from an underwriter, Safety may ask you to send the insured a Form B and subject the vehicle to an inspection.



If a vehicle does not currently have physical damage coverage, and your agency receives a current completed inspection, you must collect additional premium to add the coverage. See *Collecting Payments for Endorsement Section*. If an insured leaves a completed inspection at the agency while the agency is closed for business, you must contact the insured immediately. Have the insured return to the agency with additional premium for the coverages that are to be added. Coverage will be effective when the additional premium is collected.



If you waived a pre-inspection for a vehicle and receive a coverage suspension letter, please contact your underwriter.

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Inspection Exemptions and Waivers (continued)

Vehicles are exempt from pre-insurance inspection under the following conditions:

Pre-insurance Inspection Exemptions	
Condition	Description
New Vehicle	When the vehicle is a new, unused motor vehicle, or a demo with less than 2,000 miles, purchased from a franchised automobile dealership and the applicant supplies you with one of the following documents: <ul style="list-style-type: none"> • A copy of the bill of sale that contains a full description of the motor vehicle including all options and accessories • A copy of the RMV-1 provided by the Registry of Motor Vehicles <u>and</u> a copy of the window sticker or dealer invoice showing the itemized options and equipment.
Existing Customer	When the applicant is an existing customer. An existing customer is one who has been insured for three years or longer, without interruption, under a policy that includes physical damage coverage, issued by the insurer to which the application is submitted.
Hardship	When a pre-insurance inspection would cause serious hardship to the applicant, and such hardship is documented in the applicant's policy record. Contact your underwriter before granting a waiver.
No Inspection Facility	When the insurer has no inspection facility or authorized representative either in the city or town where the motor vehicle is principally garaged or within five miles of that city or town.
Commercial Vehicle	When the insured motor vehicle is under a commercially-rated policy that insures a fleet of five or more motor vehicles owned by the same person or legal entity.
Book Transfer	When you are transferring a book of business from one insurer to another.
Carrier Transfer	When an individual applicant's coverage is being transferred by you to a new insurer and you provide the new insurer with a copy of the inspection report completed on behalf of the previous insurer. You must represent both insurers, the insured vehicle must have been physically inspected by the previous insurer and, no lapse of coverage has occurred.
Weight	When any vehicle has a gross weight in excess of 10,000 pounds.

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Inspection Exemptions and Waivers (continued)

An inspection may also be waived if any of the following apply:

Pre-insurance Inspection Waivers	
Condition	Description
Merit Rating Points less than 16	When all rated operators have less than 16 merit rating points (effective July 3, 2012).
Vehicle Year	When the motor vehicle is ten or more years older than the current calendar year for all policies issued or renewed during the current calendar year. Example: For policies issued or renewed during calendar year 2010, inspection of all 2000 and older model year vehicles may be waived.
Existing Policy	When a non-owned vehicle is insured under a policy providing physical damage coverage issued by Safety which has inspected such motor vehicle in accordance with the provisions of this regulation.
12 Months Continuous Insurance	When the applicant has had continuous auto insurance coverage for the prior 12 months and has a valid Massachusetts driver's license; the exception to this would be if an applicant is adding physical damage coverage to an existing vehicle listed on the policy. In this case, an inspection is required.
