

STATE OF VERMONT
INSURANCE DIVISION

PRIVATE PASSENGER AUTO GUIDELINES

Please note that this is not a comprehensive list of Vermont requirements; filers should also review Vermont's statutes, regulations, and bulletins before submitting a filing.

Policy Provision	REFERENCE	COMMENTS
Alcohol/Drugs	Department requirement	Acts committed under the influence of alcohol or drugs may not be excluded in Vermont.
Appeals/ Limit of Liability may be waived	Title 8, § 4203	The Company has unlimited liability should they appeal a case without the Insured's consent.
Applications	Title 8, § 3541 and § 4205	Applications need not be filed with DFR unless they are made part of the policy. Incorrect statements on the application shall not bar the right to recovery unless it was meant to deceive or unless it materially affected either the acceptance of the risk or the hazard assumed by the insurer.
Bankruptcy Provision	Title 8, § 4203	Bankruptcy of the Insured cannot relieve the company of their liability.
Binding Arbitration/Binding Appraisal	Department Requirement	Mandatory binding arbitration or appraisal is not permitted if the process can be demanded unilaterally, as it deprives the Insured access to the judiciary system. Both parties must agree to arbitration or appraisal at the onset or beginning of the process. If the carrier is going to utilize the American Arbitration Association, they are required to use consumer rules to resolve the dispute.
Cancellation, Non-Renewal, Renewal	Title 8 § 4223-4226	Applicable to all Private Passenger Auto policies. Please refer to the referenced statute.
Civil Union Requirements	Regulation I-2000-01 and Bulletin 127	Applicable to all lines. Where the terms "spouse" or "family member" appear in the forms, please confirm that a Vermont "Civil Union" endorsement will be attached to the policies. Note: inclusion of "Domestic Partner" is not a substitute for our "Civil Union" coverage requirement
Discounts		Insureds must be advised of all available discounts for Personal Auto policies. The notice must read: "NOTICE OF AVAILABILITY OF DISCOUNTS" Examples of these include but are not limited to discounts for automatic braking systems, multi-car policies, daytime running lights, UBI programs etc.
Exclusion of Named Driver	Title 23, § 800	The exclusion of a Named Driver is prohibited. Coverage for the Named Driver may be limited to statutory limits.
Intra-Family Exclusions	Department Requirement	We do not allow any intra-insured or intra-family exclusions regarding motor vehicle liability.
Misrepresentation & Fraud Policy Language – Voiding Policy	Title 8 § 3879 and § 4711	Applicable to all lines. If an Insured obtains a policy through fraud or material misrepresentation, that policy may be voided. For fraud or material misrepresentation in the presentation of a claim, the claim may be denied and the policy may be cancelled but not voided.
Mold	Bulletin 141	Exclusions not allowed on Private Passenger Auto Insurance policies. Refer to Bulletin 141 for coverage requirements.
Minimum Bodily Injury Limits	Title 23, § 800	Statutory Minimum Limits: \$25,000 per person/ \$50,000 per accident
Disclosure/ Notice Requirements	Regulation 78-1 (1)	Insured must be given written notice when coverage has been modified or eliminated.
Permissive Driver/Regular Operator	Title 8 section 3542	We do not allow exclusions or limitations for liability coverage on permissive drivers. The department also does not allow carriers to define "regular operator" within the policy for the purposes of establishing material misrepresentation by the insured.
Pollution Liability	Department Requirement	Pollution liability exclusions are prohibited. This requirement is applicable to all liability lines, including but not limited to coverage for losses due to asbestos, lead, silica, MBTE, etc

Policy Forms	Regulation I-2010-03	Forms must be submitted at least 30 days prior to their proposed effective date.
Punitive or Exemplary Damages	Bulletin 139	Punitive or exemplary damages may be excluded.
Racing Exclusions	Department Requirement	Exclusions for “racing” or “contests” may only apply to “organized” events of this type.
Rate Filings	Title 8, § 4688 Regulation I-2010-03; Bulletin 99 (Loss Costs)	Rates filings are submitted on a “use and file” basis. Filings must be received within 15 days of the effective date. Rate filings must include an actuarial memorandum and supporting information.
Readability	Regulation I-2010-03	Flesch score minimum is 40, not less than 10 point type, one point leaded
Social Host Liability	Bulletin 136	See Bulletin 136.
Tobacco	Department Requirement	Tobacco may not be excluded.
Uninsured/ Underinsured Motorist	Title 23 § 941	Mandatory on all policies providing auto liability coverage, including Personal Umbrella Policies. Regardless of the insured’s UM/UIM limits choices on the underlying policy, the umbrella must provide either the umbrella policy limit or a reduced limit option down to a minimum requirement of \$50,000/\$100,000 BI limit as selected by the insured.
Vermont Amendatory Endorsement(s)	Regulation I-2010-03, Section 7(I)	If a requirement is satisfied in a previous filing and that filing contains an amendatory endorsement please provide a copy of the endorsement in the Supporting Documentation for the SERFF filing.