

STATE OF VERMONT  
INSURANCE DIVISION

**PRIVATE PASSENGER AUTO REQUIREMENTS**

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.

<b>Policy Provision</b>	<b>REFERENCE</b>	<b>COMMENTS</b>
<b>Alcohol/Drugs</b>	Department Requirement	Acts committed under the influence of alcohol or drugs may not be excluded in Vermont.
<b>Appeals/ Limit of Liability may be waived</b>	Title 8, § 4203	The Company has unlimited liability should they appeal a case without the Insured’s consent.
<b>Applications</b>	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.
<b>Appraisal</b>	Department Requirement	Binding appraisal is not permitted if the process can be demanded unilaterally, as it may deprive the insured access to the judiciary system. Binding appraisal is approvable only if both parties agree to the appraisal process.
<b>Auto Med Pay Insuring Agreement</b>	Department Requirement	With respect auto medical payments, the Department approves medical payment provisions that include coverage for expenses for services rendered if the expenses are incurred within 3 years of the accident date.
<b>Autopsy</b>	Department Requirement	The Department prohibits any claims provisions in which an autopsy might be required in that this could potentially be an infringement of a person’s religious beliefs and/or rights. However, if the following statement is added, then it would be acceptable: “ ... unless the law or your religion forbids it.”
<b>Bankruptcy Provision</b>	Title 8, § 4203	Bankruptcy of the Insured cannot relieve the company of their liability.
<b>Binding Arbitration/Binding Appraisal</b>	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.
<b>Cancellation, Non-Renewal, Renewal</b>	Title 8 § 4223-4226	Applicable to all Private Passenger Auto policies. Please refer to the referenced statute.
<b>Civil Union Requirements</b>	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. <b>Note:</b> inclusion of “Domestic Partner” is not a substitute for our “Civil Union” coverage requirement
<b>Cosmetic Damage Exclusion</b>	Title 8, §3542	Exclusions for damages that do not “compromise the “structural integrity” or “mechanical function” of a vehicle are not permitted. Examples of such exclusions include marring, pitting, scratches, scrapes, chips, and dents.
<b>Credit Information</b>	Title 8, §4727	Pursuant to Title 8, Section 4727(j), insurers that use insurance scores to underwrite and rate risks for “personal insurance” must file their scoring models, or other scoring processes, with the Department of Financial Regulation. Any scoring models related to credit information and subject to the requirements of Title 8, Section 4727 are considered trade secret and are not subject to disclosure under Vermont’s Public Records Act. Please also refer to the SERFF Supporting Documentation Tab for additional requirements.
<b>Discounts</b>	Regulation 78-1 S2	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.

<b>Fraud or Material Misrepresentation-- Restrictions on Voiding a Policy</b>	Title 8, §4223 and § 4205	If a policy is obtained through fraud or material misrepresentation, that policy may be voided. Please refer to 8 V.S.A. § 4205 and <i>McAllister v. AVEMCO Insurance Co.</i> , 148 Vt. 110 (1987). For fraud or material misrepresentation in the presentation of a claim, the company may only deny the claim on that basis but may have grounds for cancellation under the statutory provisions of Title 8, § 4223. The policy may not be voided for fraud or material misrepresentation in the presentation of a claim.
<b>Financial Responsibility</b>	Department Requirement	When a policy is certified as proof of insurance, we do not allow a requirement that the insured reimburse any payments made by the company.
<b>Intra-Family Exclusions</b>	Department Requirement	We do not allow any intra-insured or intra-family exclusions regarding motor vehicle liability.
<b>Loss Settlement and Payment Conditions</b>	Regulation 79-2; S6	The insurer has 15 days to respond to a properly executed Proof of Loss. After settlement has been agreed upon, the insurer shall mail in the agreed amount to the claimant and/or loss payee within 10 days.
<b>Mold</b>	Bulletin 141	Mold exclusions are prohibited on Private Passenger Auto Insurance policies. Refer to Bulletin 141 for coverage requirements.
<b>Minimum Bodily Injury Limits</b>	Title 23, § 800	Statutory Minimum Limits: \$25,000 per person/ \$50,000 per accident
<b>Named Driver Exclusion</b>	Title 23, § 800	The exclusion of a Named Driver is prohibited. Coverage for the Named Driver may be limited to statutory limits.
<b>Non-Cumulation Provisions</b>	Bulletin 189	Non-cumulation and anti-stacking clauses or endorsements are prohibited.
<b>Notice/ Disclosure Requirements</b>	Regulation 78-1 S1	Insured must be given written notice when coverage has been modified or eliminated.
<b>Permissive Driver/Regular Operator</b>	Title 8, §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.
<b>Pollution Liability</b>	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
<b>Policy Forms</b>	Regulation I-2010-03	Forms must be submitted at least 30 days prior to their proposed effective date.
<b>Punitive or Exemplary Damages</b>	Bulletin 139	Punitive or exemplary damages may be excluded.
<b>Racing Exclusions</b>	Department Requirement	Exclusions for "racing" or "contests" may only apply to "organized" events of this type.
<b>Rate Filings</b>	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. Please refer to the SERFF Supporting Documentation Tab for a more detailed description of the supporting information.  Underwriting criteria that are used to place an insured in a rating tier or otherwise affect the rating of a policy must be filed with the Department.
<b>Rate Stability Rules</b>	Department Requirement	Please refer to the "Vermont Guidelines for Rate or Premium Stability Rules" under the SERFF Supporting Documentation Tab.
<b>Readability</b>	Regulation I-2010-03	Flesch score minimum is 40, not less than 10 point type, one point leaded
<b>Social Host Liability</b>	Bulletin 136	See Bulletin 136.
<b>Surcharges</b>	Title 8, Chapter 127 and § 4203(5)	Please refer to the "Guidelines for the Use of Experience or Record in Personal Auto Rates" under the SERFF Supporting Documentation Tab.
<b>Tobacco</b>	Department Requirement	Tobacco may not be excluded.

<b>Uninsured/ Underinsured Motorist</b>	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.
<b>Usual &amp; Customary</b>	Title 8, §3542	We will not accept the use of "usual and customary charges". The Department views Medical Payments Coverage as emergent services coverage needed as the result of an automobile accident. The Department accepts a "reasonable and necessary" medical expense standard.
<b>Vermont Amendatory Endorsement(s)</b>	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.