

Frequently Asked Questions about Auto Insurance Claims

We've put together some of the most common questions about your auto insurance claims

When you have an automobile accident, you count on your auto insurer to handle your claim properly, fairly, and with as little inconvenience to you as possible. As a policyholder, you can help the insurance company handle your claim by providing accurate information when you buy your policy, and in collecting information about how an automobile accident happened. If you give false information to your insurer about how the accident happened, or when, your claim may be denied.

Does an insurance company have to pay for claims in a certain amount of time?

There are no specific time limits for the settlement of claims. Insurance companies legally have to pay all claims in a prompt and reasonable amount of time. What a "prompt and reasonable" amount of time is may be different for each claim. Some claims that need a more thorough investigation may take longer to figure out. For example, bad weather often causes more claims to be filed. A lot of claims related to bad weather may take the insurance company extra time to handle.

An object damaged my windshield and I am unable to determine where it came from. Am I covered for this loss?

Yes, if you have comprehensive coverage on your auto policy you are covered for the loss after you pay the amount of any glass deductible you chose. While many companies default to having no glass deductible, a glass deductible is permissible in Massachusetts. Having a glass deductible usually decreases the cost of Comprehensive coverage and generally makes the overall cost of the policy lower. However, this means you will be responsible for paying for the repair or replacement of your windshield up to your deductible, which may end up being the full cost.

A body shop is repairing my vehicle after an insured loss. Does my insurance company have to pay for original equipment manufacturer (OEM) parts?

If the damage to your car affects how it can be driven safely, the insurance company will pay to repair it with an OEM part. For non-safety parts, unless your claim occurs during the first 20,000 miles on the auto's odometer, the insurance company does not have to pay for OEM parts. For autos with more than 20,000 miles, state regulation allows for the replacement of damaged parts with used, reconditioned or after-market parts. You can insist on OEM parts, but you will have to pay the difference in cost.

Additional Resources

[Massachusetts Consumer Guide: Mechanics of Auto Repair](#)

Who has to pay the storage charges on my damaged auto when there is a dispute as to the amount of the claim payment?

The insurance company has to pay the storage charges until it makes a reasonable offer to settle your claim. If you dispute the amount of money offered by the company and the company changes its offer, this does not necessarily mean that the first offer was unreasonable. If you and your company disagree over what is reasonable, your policy has a process you can follow to work out the disagreement.

It is important that you work with the company and stay in communication with them, even if you are in the middle of a dispute. If the company makes you a reasonable offer and you don't respond, you could be responsible for the storage fees if you leave your vehicle in storage.

I use my vehicle for my primary or second job. Will my claim be paid if I am in an accident?

Personal cars used for business, like for delivering pizza and ride sharing (such as Uber and Lyft) aren't covered under a personal auto policy. You should always tell your agent or insurance company about your plans to start driving for a ride share company as you will likely need excess coverage for when your vehicle is being used for business purposes.

If I own a vehicle with collision and comprehensive coverage, will my insurance apply to a rental or borrowed private passenger auto?

Yes. Your collision and comprehensive insurance cover you in a rented or borrowed private passenger auto that is damaged while you or a household member is driving it with the owner's permission. You or your household member are covered only if you rent or borrow a car in the United States or Canada.

If you are borrowing or renting any sort of truck (for example a U-Haul truck to move your belongings) please speak to your agent or your insurance company to see if you are covered. You are likely not covered if you rent or borrow a truck.

My car is in the shop due to an accident, and I need a car to get around. How can I get rental car reimbursement from my or the other party's auto coverage?

If you are found not at fault for the accident, you can open a third party claim with the at fault party's policy under Part 4 (Damage to Someone Else's Property). If you are at fault for the accident and you purchased optional coverage Part 10 (Substitute Transportation) available through your personal auto insurance carrier, you may open a claim with your own policy. Please refer to your auto policy selections page and policy language for the per day policy limit. The selected daily limit is the most your carrier will pay per day. Insurers are not required to provide a substitute transportation that is comparable to your auto.

I was driving a rental car and got into an accident. Which coverage is primary, my auto insurance coverage or the insurance coverage provided by the rental car company?

It depends on the agreement that you sign with the rental car company as well as the language in your own policy. You should talk to your insurance company before signing an agreement to rent a car. Keep in mind that your credit card might also offer some insurance coverage for rental cars if you use your card to pay for the rental. Again, you should discuss with your insurance company about whether any coverage provided via your credit card company is primary, secondary or excess.

My insurance company says my vehicle is a total loss after an accident. Does my company have to give me the amount of money I need to replace it?

If your vehicle is declared a total loss this means that the cost to repair the car exceeds the current value/worth of the vehicle. When your vehicle is a total loss, your insurance company will pay you only the "actual cash value" of the vehicle as of the date of the accident, not the cost to replace it. Your vehicle's value is determined by the following factors: the retail value for a vehicle of a similar type (also known as a "like kind") and condition before the accident; and the price you paid for the vehicle plus the value of any improvements that had been made to the car. Your company also considers if your vehicle is worth less because of damage that happened to the vehicle before the accident which the appraiser finds or for which a claim has been paid; and how much it would actually cost to buy an available vehicle of like kind and quality. If your vehicle has a high value because of its great condition such as an antique, classic, or restored auto, you should have it appraised and then insure it for the amount the appraisal says the vehicle is worth.

Insurance companies can pick their own sources from which they derive their "total loss equations" from, such as NADA and Kelly Blue Book, and you have the right to ask the insurance company for their sources. If you disagree with the amount the company is offering, you can attempt to negotiate, but remember, the vehicle has to be of like kind and quality.

My car was totaled and a rental car was approved by my insurance company, but they are now asking me to return the car or I will have to pay for the rental car myself. Can they do that?

Please consult your personal auto policy for the specifics of this issue. Typically, if the insurer has made an offer to you to settle your claim for the total loss of your car, the insurer may stop paying for the rental car. If you disagree with the total loss amount being offered, you may attempt to negotiate with the insurer for a greater settlement amount by providing supporting documentation which supports your claim that the actual cash value of your vehicle is greater than the amount being offered by the insurer. However, the insurer is *not* obligated to continue to pay for the rental car following an offer to settle your claim. (Insurers will typically notify you a few days in advance of the cutoff date that coverage for the rental car will no longer be provided.) Information about this question can be found in the "Substitute Transportation" section of your policy.

Do I have to keep paying my auto insurance premium even after the insurance company says my vehicle is a total loss?

Yes, you have to keep paying your insurance premium even if your vehicle is declared a total loss until you return your license plates to the Registry of Motor Vehicles. Your auto policy does not end until you return the license plates to the Registry of Motor Vehicles (you do not need to physically return the plates to the RMV; you can cancel them online at the RMV's website). If you don't have your license plates because your auto was stolen or because your auto and plates were destroyed in a fire, you must go to the nearest Registry of Motor Vehicles office and get a lost or stolen plates receipt. You must give the receipt to your insurance company to cancel your policy and stop paying your premium.

Additional Resources

[Cancel your vehicle registration \(license plates\)](#)

May I keep my vehicle if I have a collision, limited collision or comprehensive claim and my insurance company declares it a total loss?

Your insurance company has the option to take title to your vehicle when it pays your claim. The insurer is entitled to any salvage value your vehicle may have. If you want to keep your car, you can negotiate with your company to buy your vehicle for the agreed salvaged value.

Is my company required to waive my collision deductible if I'm not more than 50% at-fault for an accident?

That depends. If you have a Waiver of Deductible Endorsement added on your policy and meet the criteria as outlined in the endorsement your company will waive your deductible if certain requirements are met. For example, common requirements are:

1. Your auto was legally parked when it was struck by another auto owned by an identified person.
2. Your auto was struck in the rear by another auto moving in the same direction and owned by an identified person.
3. The operator of the other auto was convicted of any of the following violations:
 - a. Operating while under the influence of alcohol, marijuana or a narcotic drug.
 - b. Driving the wrong way on a one-way street.
 - c. Operating at an excessive rate of speed.
 - d. Any similar violation of any similar law of another state in which the accident occurs.

However, the deductible would not be waived if the operator of your covered auto under this Part was also convicted of one of the violations.

4. You are entitled to recover in court against an identified person for some reason other than those listed above.

While most insurance companies use the same Waiver of Deductible Endorsement, you should check with your carrier as to the particular language of your endorsement. Without the endorsement attached to your auto policy, there is no requirement that the company waive your deductible, regardless of any at-fault or not at-fault findings. There may be situations in which your company decides to return your deductible to you. This would be as a customer service, but they are not required to do so.

Is my insurance company required to pay me for the lost or "diminished" value of my vehicle after it has been in an accident and has been fully repaired?

If you file a claim for diminished value with your own insurance company, there is no coverage under your policy.

I had an accident with another car and the driver of the other car is at-fault. Can I submit a claim to that driver's insurance company for the "diminished" value of my vehicle after it has been in this accident and has been fully repaired?

It depends. Insurance companies writing private passenger automobile insurance in Massachusetts may use various policy forms meaning there is no set auto insurance policy that all insurers must use. Typically, insurers use either the 2008 standard policy, the 2016 standard policy or their own proprietary policy as approved by the Division of Insurance.

In October 2021, the Massachusetts Supreme Judicial Court (SJC) issued a decision saying for the first time that the diminished value caused to your vehicle by a collision with another vehicle may be recoverable from the at-fault party for claims filed involving the 2008 edition of the Standard Massachusetts Automobile Insurance Policy.

If you are in an accident and the at-fault party has a Massachusetts policy that is based on the 2008 edition of the Standard Massachusetts Automobile Insurance Policy, you may be able to recover for the diminished value caused to your motor vehicle if you can establish such damages. The SJC ruling stated that when making a claim against the other driver's policy, the burden of proof is on the claimant to show that (i) a vehicle suffered diminished value even after being fully repaired, and (ii) the amount of any such damages.

However, in January 2025, the SJC further ruled that if the policy is based on the 2016 Standard Massachusetts Automobile Insurance Policy the insurance company is not required to cover claims for inherent diminished value arising from an accident caused by an at-fault 3rd party, but the party who is at-fault for the accident could be held responsible for inherent diminished value, if the inherent diminished value can be independently established.

When settling a claim, it may be necessary for you to contact the insurance company for the driver that was at fault in your accident to understand whether there is coverage for inherent diminished value to your vehicle.

Can my insurance company deny a claim for damages to my vehicle if the principle place of garaging listed on my application is false?

Yes. They can deny a claim if any of the information on your application is false. The single most important thing you can do to protect yourself from a claim denial is to make sure that all of the information you give to your insurance company is complete and accurate.

If you or someone on your behalf gives false, deceptive, misleading or incomplete information on any application and if that information increases the insurance company's risk of loss, your company may refuse to pay claims under any or all of the Optional Insurance coverages of the policy. You must state where your car is garaged most of the time, regardless of your listed address. You must also list all the licensed drivers who are likely to drive your vehicle. This includes people who live with you (family and roommates) who do not have their own auto insurance, and also people who use your car on any kind of regular basis.

If you move after you fill out your initial application, you must tell your insurance company and the Registry of Motor Vehicles of your new address promptly.

Can my insurance company cancel my policy if I file a claim?

No. The company cannot cancel you for filing a claim, but they can choose to non-renew your policy if they determine you are too much of a risk. The company must issue a non-renewal notice directly to you or to your agent at least 45 days prior to the expiration of your policy. It is then your responsibility to find a new insurance company to provide you coverage.

The company can cancel you if you do not pay your premium or if they learn you provided false information on your application. In this instance, your company must send you a notice at least 20 days before the effective date of the cancellation. A notice sent by regular mail with a certificate of mailing receipt obtained from the Post Office is enough. Certified or registered mail with a return receipt is not required.

What can I do if I receive a cancellation notice?

If your policy is being cancelled because you didn't pay your premium, you must pay your exact outstanding premium immediately to prevent cancellation. If you feel that the cancellation is unfair for any reason, you may send a written appeal to the Board of Appeal. This must be done before the effective date of cancellation.

Additional Resources

[Appeal an Auto Insurance Cancellation](#)

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