

**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Part 1 (A-1)**

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<u>Territory</u>	<u>Class 10</u>	<u>Class 17</u>	<u>Class 18</u>	<u>Class 20</u>	<u>Class 21</u>	<u>Class 25</u>	<u>Class 26</u>	<u>Class 30</u>
1	137	288	173	511	277	440	228	136
2	152	297	199	603	319	518	262	151
3	153	300	206	634	329	545	271	152
4	168	333	228	679	379	583	312	167
5	182	380	248	766	427	658	352	182
6	189	407	225	848	479	727	394	187
7	208	406	276	903	533	777	439	207
8	208	400	284	835	502	716	413	210
9	215	430	315	909	556	780	458	224
10	236	489	349	1007	620	864	509	235
11	249	545	345	1067	680	917	560	279
12	265	519	370	948	671	815	553	267
13	301	525	422	1052	714	881	603	287
14	338	622	445	1015	736	856	621	332
15	391	736	467	1015	793	856	670	383
16	338	621	630	1026	776	880	638	347
17	248	573	353	1046	575	873	473	247
18	268	700	397	1066	709	916	600	302
19	320	725	443	1001	660	840	543	354
20	299	739	438	1038	742	868	624	327
21	359	744	585	1010	795	845	654	489
22	354	744	571	1012	782	846	644	474
23	251	660	308	1024	725	856	596	249
24	263	491	379	1047	600	899	493	262
25	276	695	406	1047	731	899	619	301
26	335	750	468	1026	793	880	653	325
27	123	250	155	501	241	430	199	123
40	316	633	428	1065	697	890	586	332
41	325	632	471	1065	753	915	619	324
42	395	736	505	1058	812	908	668	402
43	358	726	494	1030	813	861	670	383
44	326	711	637	1042	776	894	656	332
45	368	673	489	1030	807	861	665	383

Note: The above rates are base rates with no merit rating adjustment.  
 Class 15 rates are 75% of Class 10 final rates for all coverages.

**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Part 2 (A-2)**

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<u>Territory</u>	<u>Class 10</u>	<u>Class 17</u>	<u>Class 18</u>	<u>Class 20</u>	<u>Class 21</u>	<u>Class 25</u>	<u>Class 26</u>	<u>Class 30</u>
1	35	57	40	104	62	76	46	35
2	38	68	48	124	66	90	49	38
3	38	78	44	149	80	108	59	38
4	40	74	47	141	76	103	56	41
5	46	86	52	154	96	112	71	46
6	47	96	55	162	112	118	82	47
7	54	100	66	179	113	130	83	52
8	55	104	68	185	113	134	83	54
9	60	109	73	198	128	144	94	59
10	60	130	81	223	134	162	98	60
11	64	143	79	221	133	160	97	67
12	67	130	87	221	140	160	103	64
13	76	155	93	221	157	160	115	72
14	84	166	104	217	162	157	119	78
15	95	182	109	217	175	157	127	88
16	84	185	138	211	170	154	125	83
17	54	119	80	221	112	160	82	54
18	67	178	90	218	156	158	114	73
19	79	179	104	211	160	154	116	79
20	73	183	98	217	162	157	119	82
21	88	183	131	213	171	155	125	116
22	86	183	130	213	169	155	124	113
23	64	171	85	214	156	156	114	64
24	62	111	86	216	141	157	103	62
25	68	171	92	196	160	143	116	74
26	82	185	113	211	171	154	125	78
27	30	71	35	124	64	90	47	31
40	79	168	96	218	154	158	113	78
41	79	168	104	218	162	158	119	79
42	96	182	112	217	175	157	127	94
43	86	179	109	217	175	157	127	90
44	80	189	140	214	171	156	125	79
45	90	177	109	217	175	157	127	90

Note: The above rates are base rates with no merit rating adjustment.  
 Class 15 rates are 75% of Class 10 final rates for all coverages.

**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Part 4 Basic (\$5000 PDL)**

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<u>Territory</u>	<u>Class 10</u>	<u>Class 17</u>	<u>Class 18</u>	<u>Class 20</u>	<u>Class 21</u>	<u>Class 25</u>	<u>Class 26</u>	<u>Class 30</u>
1	148	286	191	467	309	498	283	159
2	158	297	213	487	319	519	292	173
3	163	312	209	500	349	534	320	183
4	172	317	225	545	363	582	331	194
5	173	321	234	528	390	563	356	200
6	179	325	223	573	416	612	381	195
7	181	333	244	591	446	631	408	201
8	195	350	247	572	462	611	423	228
9	193	354	245	611	462	652	423	217
10	189	363	261	604	471	645	431	196
11	190	371	263	604	463	645	423	210
12	209	394	272	662	466	707	426	231
13	219	376	265	658	499	702	456	242
14	238	442	296	672	516	718	473	257
15	253	415	311	684	553	731	505	271
16	226	337	314	600	382	640	349	246
17	204	442	264	644	446	688	408	211
18	227	490	300	658	503	702	460	238
19	200	457	271	665	423	710	387	207
20	222	408	293	676	481	721	440	245
21	253	498	332	667	535	712	490	269
22	286	509	401	665	582	710	533	296
23	183	354	245	677	426	722	390	197
24	222	450	305	599	454	639	415	248
25	219	428	309	570	538	608	492	254
26	240	470	360	602	559	643	511	278
27	140	262	168	431	276	460	252	145
40	192	440	230	644	475	688	434	257
41	190	370	274	563	463	601	423	197
42	204	365	292	608	520	649	475	248
43	247	421	316	685	526	732	482	264
44	204	334	264	518	495	553	453	221
45	221	466	272	686	536	732	491	267

Note: The above rates are base rates with no merit rating adjustment.  
 Class 15 rates are 75% of Class 10 final rates for all coverages.

**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Part 5 Basic (B)**

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<u>Territory</u>	<u>Class 10</u>	<u>Class 17</u>	<u>Class 18</u>	<u>Class 20</u>	<u>Class 21</u>	<u>Class 25</u>	<u>Class 26</u>	<u>Class 30</u>
1	16	34	20	62	34	53	29	16
2	18	35	25	74	40	63	33	18
3	18	35	25	76	40	66	33	18
4	21	40	27	83	45	71	37	21
5	22	46	31	93	52	79	43	22
6	23	48	27	101	57	87	47	23
7	26	48	34	110	64	94	53	26
8	26	48	34	100	59	85	48	26
9	26	51	38	110	69	94	57	27
10	28	58	41	121	75	105	61	28
11	33	65	41	124	82	107	69	32
12	33	63	45	115	82	99	69	34
13	36	63	51	124	90	107	73	36
14	43	81	53	123	90	106	73	39
15	47	88	56	123	97	106	81	49
16	54	75	71	117	95	100	78	54
17	29	66	41	125	70	108	58	29
18	39	87	47	121	89	105	72	43
19	43	87	53	118	80	101	66	45
20	43	88	53	123	89	106	72	49
21	58	87	71	119	96	102	79	67
22	57	87	71	118	95	101	78	66
23	29	79	37	118	86	101	71	29
24	32	58	46	118	71	101	58	32
25	38	83	50	111	90	96	73	39
26	45	87	56	118	95	101	78	45
27	15	30	19	63	30	54	24	15
40	38	79	52	123	85	106	71	38
41	39	75	57	123	90	106	73	39
42	49	88	60	121	96	105	79	49
43	45	87	60	121	97	105	81	49
44	43	85	71	118	95	101	78	54
45	46	88	60	123	97	106	81	49

Note: The above rates are base rates with no merit rating adjustment.  
 Class 15 rates are 75% of Class 10 final rates for all coverages.

**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Part 7 \$500 Deductible (Collision)**

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<u>Territory</u>	<u>Class 10</u>	<u>Class 17</u>	<u>Class 18</u>	<u>Class 20</u>	<u>Class 21</u>	<u>Class 25</u>	<u>Class 26</u>	<u>Class 30</u>
1	333	725	443	1156	712	909	579	332
2	343	762	441	1193	658	937	533	343
3	356	765	469	1214	764	955	620	355
4	369	791	471	1257	759	988	616	365
5	369	813	520	1295	826	1018	670	368
6	380	781	515	1320	860	1037	697	379
7	394	830	561	1421	931	1116	755	394
8	425	905	574	1387	941	1090	763	424
9	410	862	541	1344	945	1056	767	406
10	410	896	555	1347	1013	1058	822	406
11	407	847	549	1424	1004	1120	815	405
12	482	950	647	1397	1052	1098	853	480
13	496	903	640	1451	1130	1141	918	492
14	562	1087	707	1416	1175	1114	954	559
15	658	1055	824	1416	1224	1114	993	646
16	589	1106	752	1382	1055	1087	857	570
17	471	1043	614	1456	986	1144	800	470
18	538	1146	650	1409	1139	1108	924	534
19	460	1058	683	1382	1068	1087	866	574
20	591	1163	826	1398	1180	1098	957	613
21	653	1182	939	1385	1331	1088	1082	710
22	716	1170	963	1372	1293	1078	1048	775
23	477	1026	832	1416	1148	1114	932	474
24	519	1025	718	1413	1019	1110	827	545
25	521	1098	877	1224	1081	963	877	519
26	677	1183	951	1369	1261	1076	1024	699
27	310	687	415	1139	642	895	521	309
40	431	1032	596	1361	992	1069	805	429
41	399	862	639	1273	1040	1000	843	422
42	480	987	701	1395	1155	1096	938	479
43	573	1055	824	1410	1183	1109	961	572
44	461	842	733	1404	1055	1104	857	473
45	515	1092	786	1414	1226	1111	994	512

Note: The above rates are base rates with no merit rating adjustment.  
 Class 15 rates are 75% of Class 10 final rates for all coverages.

**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Part 9 \$500 Deductible (Comprehensive)**

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<u>Territory</u>	<u>Class 10</u>	<u>Class 17</u>	<u>Class 18</u>	<u>Class 20</u>	<u>Class 21</u>	<u>Class 25</u>	<u>Class 26</u>	<u>Class 30</u>
1	104	126	104	127	104	126	104	104
2	114	138	114	139	114	138	114	114
3	114	138	114	139	114	138	114	114
4	114	138	114	139	114	138	114	114
5	119	144	119	144	119	143	119	119
6	115	139	115	140	115	139	115	115
7	124	150	124	151	124	150	124	124
8	131	159	131	159	131	158	131	131
9	126	153	126	153	126	152	126	126
10	129	156	129	156	129	155	129	129
11	119	144	119	144	119	143	119	119
12	137	166	137	166	137	165	137	137
13	156	188	156	189	156	188	156	156
14	166	200	166	201	166	200	166	166
15	203	246	203	247	203	245	203	203
16	293	355	293	356	293	354	293	293
17	115	139	115	140	115	139	115	115
18	166	200	166	201	166	200	166	166
19	196	237	196	238	196	237	196	196
20	158	192	158	192	158	191	158	158
21	220	266	220	266	220	265	220	220
22	249	302	249	302	249	301	249	249
23	204	247	204	248	204	246	204	204
24	156	188	156	189	156	188	156	156
25	193	233	193	234	193	232	193	193
26	252	305	252	306	252	304	252	252
27	104	125	104	126	104	125	104	104
40	136	165	136	165	136	164	136	136
41	145	175	145	176	145	175	145	145
42	147	178	147	178	147	177	147	147
43	179	217	179	217	179	216	179	179
44	200	242	200	242	200	241	200	200
45	178	216	178	216	178	215	178	178

Note: Class 15 rates are 75% of Class 10 final rates for all coverages.

**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile**

**UNINSURED & UNDERINSURED MOTORISTS**  
**FIRST AND ADDITIONAL VEHICLES**

**Uninsured Motorists**  
**(Part 3)**

<u>LIMIT</u>	<u>RATE</u>
20/40 (base)	\$10.00
20/50	\$11.00
25/50	\$12.00
25/60	\$13.00
30/70	\$13.00
35/80	\$13.00
50/100	\$14.00
100/200	\$17.00
100/300	\$18.00
200/300	\$19.00
250/500	\$20.00
500/500	\$29.00

**Underinsured Motorists**  
**(Part 12)**

<u>LIMIT</u>	<u>RATE</u>
20/40 (base)	\$0.00
20/50	\$0.00
25/50	\$2.00
25/60	\$3.00
30/70	\$6.00
35/80	\$9.00
50/100	\$17.00
100/200	\$37.00
100/300	\$38.00
200/300	\$102.00
250/500	\$124.00
500/500	\$300.00

**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Miscellaneous Factors & Rates**

**Deductibles**

**Personal Injury Protection**

Apply factor to manual base rate (Full coverage PIP) excluding senior citizen discount.

	<u>\$100</u>	<u>\$250</u>	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>	<u>\$4,000</u>	<u>\$8,000</u>
Named insured	0.98	0.96	0.93	0.86	0.74	0.63	0.54
Named insured & household	0.98	0.95	0.90	0.81	0.66	0.52	0.41

**Physical Damage**

Apply factor to manual base rate (\$500 deductible) for model year/symbol excluding senior citizen discount.

	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
Collision	1.00	0.63	0.48
Limited Collision	1.00	0.65	0.45
Comprehensive	1.00	0.67	0.61
\$100 Glass Deductible	0.88		

Add rate to manual base rate (\$500 deductible) for model year/symbol.

	<u>\$0</u>	<u>\$300</u>	
Collision	N/A		= 0.1625 x class/territory base rate, prior to model year/symbol
Limited Collision	\$6	\$3	
Comprehensive	N/A		= 0.03 x class/territory base rate, prior to model year/symbol

Add rate to manual base rate adjusted to applicable deductible.

Waiver of Deductible	<u>\$300</u>	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
Collision	\$9	\$12	\$16	\$25

**Discounts**

<u>Discount</u>	<u>Coverage Part(s)</u>		<u>Discount</u>	<u>Coverage Part(s)</u>
<b>Multi-Car</b>	10%	1, 2, 4, 5, 7, 8, 9	<b>Anti-Theft</b>	see Rule 54
<b>Annual Mileage</b>			<b>Future Effective Date</b>	1,2,4,5,6,7,8,9
< 5,000	10%	1 - 8, 12	Year 1	10%
5,000 - 7,500	5%	1 - 8, 12	Year 2	7%
			Year 3	4%
<b>Portfolio Discount</b>			Years 4 and Greater	0%
	20%	1,2,4,5,6,7,8,9,10,11		
<b>Good Student Discount</b>				
	10%	1-12		



**American Automobile Insurance Company  
Massachusetts Private Passenger Automobile Insurance  
Miscellaneous Coverages & Vehicles**

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**Miscellaneous Coverages**

**Medical Payments**

Limit	<u>\$5,000</u>	<u>\$10,000</u>	<u>\$15,000</u>	<u>\$20,000</u>	<u>\$25,000</u>	<u>\$50,000</u>	<u>\$100,000</u>
Rate	\$17	\$23	\$31	\$32	\$36	\$41	\$50

**Substitute Transportation**

per day	\$15	\$30	\$45	\$100
maximum	<u>\$450</u>	<u>\$900</u>	<u>\$1,350</u>	<u>\$3,000</u>
Rate	\$14	\$62	\$151	\$310

**Towing & Labor**

per disablement	<u>\$50</u>	<u>\$100</u>
Rate	\$8	\$17

**Other Covg**

Excess Electronic Equipment	Original Equipment Manufacturers Parts
Rule 46 \$4 per \$100 valuation	Rule 48 Collision 1.05
Customizing Equipment	Limited Collision 1.05
Rule 46	Comprehensive 1.01

**Miscellaneous Vehicles**

**Pick-ups** Apply factor to manual base rate excluding senior citizen discount.

Rule 32	Liability	100%	Collision	55%
			Limited Collision	100%
			Comprehensive	85%

**Other Veh** see Manual Rule page RS-3

Trailers	Rule 34
Motor Homes	Rule 39
Antiques	Rule 40
Motorcycles	Rule 44

**American Automobile Insurance Company  
Massachusetts Private Passenger Automobile Insurance  
Model Year / Symbol Factors  
Part 7 \$500 Deductible (Collision)**

Sym- bol	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998 & Prior
1	0.835	0.784	0.738	0.695	0.656	0.619	0.583	0.552	0.522	0.493	0.468	0.443	0.421	0.366
2	0.884	0.830	0.781	0.735	0.693	0.653	0.616	0.582	0.549	0.520	0.492	0.466	0.441	0.383
3	0.935	0.878	0.826	0.777	0.732	0.690	0.650	0.613	0.579	0.547	0.517	0.490	0.464	0.402
4	0.992	0.931	0.875	0.823	0.775	0.729	0.686	0.648	0.611	0.577	0.545	0.515	0.488	0.421
5	1.051	0.987	0.927	0.871	0.819	0.771	0.726	0.684	0.645	0.608	0.574	0.543	0.514	0.442
6	1.115	1.047	0.982	0.923	0.868	0.816	0.767	0.723	0.681	0.642	0.606	0.572	0.541	0.464
7	1.182	1.110	1.042	0.978	0.919	0.864	0.812	0.765	0.720	0.678	0.640	0.604	0.570	0.488
8	1.256	1.179	1.106	1.038	0.975	0.915	0.860	0.809	0.761	0.716	0.676	0.637	0.601	0.514
10	1.333	1.252	1.174	1.101	1.033	0.970	0.911	0.856	0.805	0.758	0.714	0.672	0.634	0.541
11	1.416	1.330	1.246	1.168	1.096	1.028	0.966	0.908	0.853	0.802	0.755	0.711	0.670	0.570
12	1.504	1.412	1.323	1.241	1.163	1.091	1.024	0.961	0.903	0.849	0.798	0.752	0.708	0.602
13	1.599	1.501	1.406	1.317	1.234	1.158	1.086	1.019	0.957	0.900	0.845	0.796	0.748	0.635
14	1.701	1.597	1.494	1.400	1.312	1.229	1.153	1.081	1.015	0.953	0.895	0.841	0.792	0.671
15	1.808	1.698	1.590	1.488	1.394	1.306	1.224	1.147	1.077	1.011	0.949	0.892	0.838	0.708
16	1.923	1.806	1.690	1.582	1.481	1.387	1.300	1.219	1.143	1.071	1.006	0.945	0.888	0.749
17	2.048	1.923	1.798	1.683	1.575	1.474	1.381	1.294	1.212	1.138	1.067	1.002	0.941	0.792

\* For symbols 18 and higher, refer to Rule 22.

For model years 1989 and prior, refer to Rule 20.

Effective in 2001, the oldest model year rates need to be further modified to adjust for symbol differences for model years 1989 & prior. The following factors from Rule 20 will always apply to the oldest model year category shown above (the 1998 & prior category):

1	0.29
2	0.32
3	0.36
4	0.41
5	0.46
6	0.51
7	0.57
8	0.64
10	0.71
11	0.80
12	0.89
13	1.00
14	1.12
15	1.25
16	1.40
17	1.57

**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Model Year / Symbol Factors**  
**Part 9 \$500 Deductible (Comprehensive)**

Sym- bol	Model Year													1998
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	& Prior
1	0.606	0.592	0.580	0.568	0.556	0.545	0.534	0.523	0.513	0.502	0.493	0.483	0.474	0.447
2	0.639	0.625	0.612	0.599	0.587	0.575	0.563	0.551	0.540	0.529	0.519	0.508	0.498	0.470
3	0.676	0.661	0.647	0.633	0.620	0.607	0.594	0.582	0.569	0.558	0.547	0.535	0.525	0.495
4	0.715	0.699	0.684	0.670	0.655	0.641	0.628	0.614	0.602	0.589	0.576	0.565	0.553	0.521
5	0.757	0.740	0.724	0.708	0.692	0.677	0.663	0.649	0.636	0.622	0.609	0.596	0.583	0.549
6	0.802	0.784	0.766	0.750	0.733	0.717	0.702	0.686	0.671	0.657	0.643	0.630	0.616	0.580
7	0.850	0.831	0.812	0.794	0.776	0.759	0.743	0.726	0.711	0.695	0.680	0.665	0.651	0.612
8	0.900	0.880	0.860	0.841	0.822	0.804	0.786	0.769	0.752	0.736	0.719	0.704	0.689	0.647
10	0.955	0.934	0.913	0.892	0.872	0.853	0.833	0.814	0.797	0.779	0.762	0.745	0.729	0.684
11	1.015	0.992	0.969	0.947	0.925	0.904	0.884	0.864	0.844	0.826	0.807	0.789	0.772	0.724
12	1.077	1.053	1.029	1.005	0.982	0.960	0.937	0.916	0.895	0.875	0.855	0.836	0.818	0.766
13	1.145	1.119	1.093	1.068	1.043	1.019	0.995	0.972	0.950	0.928	0.907	0.887	0.867	0.812
14	1.217	1.190	1.162	1.135	1.108	1.083	1.057	1.033	1.009	0.986	0.963	0.941	0.920	0.860
15	1.295	1.266	1.236	1.206	1.178	1.151	1.124	1.097	1.071	1.047	1.023	0.999	0.975	0.913
16	1.378	1.347	1.314	1.283	1.253	1.223	1.194	1.166	1.138	1.112	1.086	1.061	1.036	0.968
17	1.466	1.433	1.399	1.366	1.333	1.301	1.270	1.240	1.211	1.182	1.154	1.127	1.101	1.029

\* For symbols 18 and higher, refer to Rule 22.

For model years 1989 and prior, refer to Rule 20.

Effective in 2001, the oldest model year rates need to be further modified to adjust for symbol differences for model years 1989 & prior. The following factors from Rule 20 will always apply to the oldest model year category shown above (the 1998 & prior category):

1	0.24
2	0.28
3	0.32
4	0.36
5	0.41
6	0.46
7	0.53
8	0.60
10	0.68
11	0.77
12	0.88
13	1.00
14	1.14
15	1.29
16	1.47
17	1.67

**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Merit Rating Adjustment Factors \***

Merit Rating Code	Experienced Operators (Rate Class 10, 15 or 30)		Inexperienced Operators (All Other Rate Classes)	
	Parts 1, 2, 4, and 5	Part 7	Parts 1, 2, 4, and 5	Part 7
	99	-0.170	-0.170	NA
98	-0.070	-0.070	-0.070	-0.070
0 (base rate)	0.000	0.000	0.000	0.000
1	0.150	0.150	0.075	0.075
2	0.300	0.300	0.150	0.150
3	0.450	0.450	0.225	0.225
4	0.600	0.600	0.300	0.300
5	0.750	0.750	0.375	0.375
6	0.900	0.900	0.450	0.450
7	1.050	1.050	0.525	0.525
8	1.200	1.200	0.600	0.600
9	1.350	1.350	0.675	0.675
10	1.500	1.500	0.750	0.750
11	1.650	1.650	0.825	0.825
12	1.800	1.800	0.900	0.900
13	1.950	1.950	0.975	0.975
14	2.100	2.100	1.050	1.050
15	2.250	2.250	1.125	1.125
16	2.400	2.400	1.200	1.200
17	2.550	2.550	1.275	1.275
18	2.700	2.700	1.350	1.350
19	2.850	2.850	1.425	1.425
20	3.000	3.000	1.500	1.500
21	3.150	3.150	1.575	1.575
22	3.300	3.300	1.650	1.650
23	3.450	3.450	1.725	1.725
24	3.600	3.600	1.800	1.800
25	3.750	3.750	1.875	1.875
26	3.900	3.900	1.950	1.950
27	4.050	4.050	2.025	2.025
28	4.200	4.200	2.100	2.100
29	4.350	4.350	2.175	2.175
30	4.500	4.500	2.250	2.250
31	4.650	4.650	2.325	2.325
32	4.800	4.800	2.400	2.400
33	4.950	4.950	2.475	2.475
34	5.100	5.100	2.550	2.550
35	5.250	5.250	2.625	2.625
36	5.400	5.400	2.700	2.700
37	5.550	5.550	2.775	2.775
38	5.700	5.700	2.850	2.850
39	5.850	5.850	2.925	2.925
40	6.000	6.000	3.000	3.000
41	6.150	6.150	3.075	3.075
42	6.300	6.300	3.150	3.150
43	6.450	6.450	3.225	3.225
44	6.600	6.600	3.300	3.300
45	6.750	6.750	3.375	3.375

\* The merit rating adjustment is determined by applying the above factors (for the appropriate merit rating code) to rates by coverage (after all applicable discounts and rating factors), rounding to the nearest whole dollar amount, and summing the adjustments for all coverages.

**Massachusetts Private Passenger Automobile**  
**Increased Limits Factors for Bodily Injury Liability and Property Damage Liability**

**Applicable to Motor Vehicle Bodily Injury Coverage on All Vehicles and Coverages**  
**Including Motorcycles and Snowmobiles Rated in the Private Passenger Automobile Manual**

**Bodily Injury**  
**Increased Limits**

<b>LIMIT</b>	<b>FACTOR</b>
20/40 (base)	1.00
20/50	1.01
25/50	1.06
30/70	1.11
35/80	1.16
50/100	1.29
100/300	1.50
250/500	1.90
500/500	2.80

**Property damage**  
**Increased Limits**

<b>LIMIT</b>	<b>FACTOR</b>
5,000 (base)	1.00
10,000	1.51
15,000	1.53
25,000	1.55
35,000	1.56
40,000	1.57
45,000	1.57
50,000	1.57
75,000	1.58
80,000	1.58
100,000	1.59
150,000	1.60
200,000	1.61
250,000	1.61

## Massachusetts Private Passenger Automobile

### 2010 Comprehensive \$500 Deductible Stated Amount

Territory	Symbol															
	1	2	3	4	5	6	7	8	10	11	12	13	14	15	16	17
1	1.48	0.70	0.63	0.60	0.56	0.54	0.51	0.50	0.48	0.48	0.47	0.47	0.46	0.45	0.44	0.43
2	1.61	0.76	0.69	0.65	0.62	0.58	0.56	0.54	0.53	0.52	0.51	0.51	0.50	0.49	0.48	0.47
3	1.61	0.76	0.69	0.65	0.62	0.58	0.56	0.54	0.53	0.52	0.51	0.51	0.50	0.49	0.48	0.47
4	1.61	0.76	0.69	0.65	0.62	0.58	0.56	0.54	0.53	0.52	0.51	0.51	0.50	0.49	0.48	0.47
5	1.67	0.79	0.72	0.68	0.64	0.61	0.58	0.56	0.55	0.54	0.53	0.53	0.52	0.51	0.50	0.49
6	1.63	0.77	0.70	0.66	0.62	0.59	0.57	0.55	0.53	0.53	0.52	0.52	0.51	0.49	0.48	0.47
7	1.75	0.83	0.75	0.71	0.67	0.63	0.61	0.59	0.57	0.57	0.56	0.56	0.54	0.53	0.52	0.51
8	1.86	0.88	0.79	0.75	0.71	0.67	0.65	0.62	0.61	0.60	0.59	0.59	0.58	0.56	0.55	0.54
9	1.78	0.84	0.76	0.72	0.68	0.65	0.62	0.60	0.58	0.57	0.57	0.56	0.55	0.54	0.53	0.52
10	1.81	0.86	0.77	0.73	0.69	0.66	0.63	0.61	0.59	0.58	0.58	0.57	0.56	0.55	0.54	0.53
11	1.67	0.79	0.72	0.68	0.64	0.61	0.58	0.56	0.55	0.54	0.53	0.53	0.52	0.51	0.50	0.49
12	1.93	0.92	0.83	0.78	0.74	0.70	0.67	0.65	0.63	0.62	0.62	0.61	0.60	0.58	0.57	0.56
13	2.19	1.04	0.94	0.89	0.84	0.79	0.76	0.74	0.72	0.71	0.70	0.70	0.68	0.66	0.65	0.64
14	2.33	1.10	0.99	0.94	0.89	0.84	0.81	0.78	0.76	0.75	0.74	0.74	0.72	0.70	0.69	0.68
15	2.86	1.35	1.22	1.16	1.09	1.04	0.99	0.96	0.94	0.92	0.91	0.91	0.89	0.87	0.85	0.83
16	4.14	1.96	1.77	1.67	1.58	1.50	1.44	1.39	1.36	1.34	1.32	1.31	1.29	1.25	1.23	1.21
17	1.63	0.77	0.70	0.66	0.62	0.59	0.57	0.55	0.53	0.53	0.52	0.52	0.51	0.49	0.48	0.47
18	2.33	1.10	0.99	0.94	0.89	0.84	0.81	0.78	0.76	0.75	0.74	0.74	0.72	0.70	0.69	0.68
19	2.77	1.31	1.18	1.12	1.06	1.00	0.96	0.93	0.91	0.89	0.88	0.88	0.86	0.84	0.82	0.81
20	2.24	1.06	0.96	0.90	0.86	0.81	0.78	0.75	0.73	0.72	0.71	0.71	0.70	0.68	0.66	0.65
21	3.09	1.46	1.32	1.25	1.18	1.12	1.07	1.04	1.01	1.00	0.99	0.98	0.96	0.93	0.91	0.90
22	3.52	1.66	1.50	1.42	1.34	1.27	1.22	1.18	1.15	1.14	1.12	1.12	1.09	1.06	1.04	1.02
23	2.88	1.36	1.23	1.16	1.10	1.04	1.00	0.97	0.94	0.93	0.92	0.91	0.90	0.87	0.85	0.84
24	2.19	1.04	0.94	0.89	0.84	0.79	0.76	0.74	0.72	0.71	0.70	0.70	0.68	0.66	0.65	0.64
25	2.71	1.28	1.16	1.09	1.04	0.98	0.94	0.91	0.89	0.87	0.86	0.86	0.84	0.82	0.80	0.79
26	3.55	1.68	1.51	1.43	1.36	1.29	1.23	1.19	1.16	1.14	1.13	1.12	1.10	1.07	1.05	1.03
27	1.46	0.69	0.62	0.59	0.56	0.53	0.51	0.49	0.48	0.47	0.47	0.46	0.45	0.44	0.43	0.43
40	1.92	0.91	0.82	0.77	0.73	0.70	0.67	0.64	0.63	0.62	0.61	0.61	0.60	0.58	0.57	0.56
41	2.04	0.97	0.87	0.82	0.78	0.74	0.71	0.69	0.67	0.66	0.65	0.65	0.63	0.62	0.60	0.59
42	2.07	0.98	0.88	0.84	0.79	0.75	0.72	0.70	0.68	0.67	0.66	0.66	0.64	0.63	0.61	0.60
43	2.53	1.20	1.08	1.02	0.97	0.92	0.88	0.85	0.83	0.82	0.81	0.80	0.79	0.76	0.75	0.74
44	2.82	1.33	1.20	1.14	1.08	1.02	0.98	0.95	0.92	0.91	0.90	0.89	0.88	0.85	0.83	0.82
45	2.51	1.19	1.07	1.01	0.96	0.91	0.87	0.84	0.82	0.81	0.80	0.80	0.78	0.76	0.74	0.73

### Collision & Limited Collision \$500 Deductible

Rate per \$100 of insured value = Actual Cash Value Premium / Stated Amount Divisor

(Actual Cash Value Premium - see Manual Rule R-41)

Stated Amount Divisor			
Symbol		Symbol	
1	32.50	10	156.25
2	72.50	11	168.75
3	85.00	12	181.25
4	95.00	13	193.75
5	106.25	14	210.00
6	118.75	15	230.00
7	131.25	16	250.00
8	143.75	17	270.00

Deductibles and Waiver of Deductible - same as actual cash value rates.

## Massachusetts Private Passenger Automobile

### Stated Amount Rates Comprehensive \$500 Deductible

**Table of Values Used to Calculate 2009 Stated Amount Rates**

<u>Symbol</u>	(a) Private Passenger Comprehensive <u>Model Year 2010 Factor by Symbol</u>	(b) Median <u>Symbol Value</u>
1	0.592	3,250
2	0.625	7,250
3	0.661	8,500
4	0.699	9,500
5	0.740	10,625
6	0.784	11,875
7	0.831	13,125
8	0.880	14,375
10	0.934	15,625
11	0.992	16,875
12	1.053	18,125
13	1.119	19,375
14	1.190	21,000
15	1.266	23,000
16	1.347	25,000
17	1.433	27,000

Comprehensive stated amount rates are calculated using the following:

- (a) Private Passenger 2009 comprehensive factor for the latest model year shown in the rate pages for each symbol (displayed above)
- (b) Median symbol value (displayed above)
- (c) Private Passenger 2009 Class 10 base rates by territory for comprehensive.

The comprehensive stated amount rate per \$100 is calculated as:  $(c) \times (a) \times (100) / (b)$

**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Part 1 (A-1)**

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<u>Territory</u>	<u>Class 10</u>	<u>Class 17</u>	<u>Class 18</u>	<u>Class 20</u>	<u>Class 21</u>	<u>Class 25</u>	<u>Class 26</u>	<u>Class 30</u>
1	137	288	173	511	277	440	228	136
2	152	297	199	603	319	518	262	151
3	153	300	206	634	329	545	271	152
4	168	333	228	679	379	583	312	167
5	182	380	248	766	427	658	352	182
6	189	407	225	848	479	727	394	187
7	208	406	276	903	533	777	439	207
8	208	400	284	835	502	716	413	210
9	215	430	315	909	556	780	458	224
10	236	489	349	1007	620	864	509	235
11	249	545	345	1067	680	917	560	279
12	265	519	370	948	671	815	553	267
13	301	525	422	1052	714	881	603	287
14	338	622	445	1015	736	856	621	332
15	391	736	467	1015	793	856	670	383
16	338	621	630	1026	776	880	638	347
17	248	573	353	1046	575	873	473	247
18	268	700	397	1066	709	916	600	302
19	320	725	443	1001	660	840	543	354
20	299	739	438	1038	742	868	624	327
21	359	744	585	1010	795	845	654	489
22	354	744	571	1012	782	846	644	474
23	251	660	308	1024	725	856	596	249
24	263	491	379	1047	600	899	493	262
25	276	695	406	1047	731	899	619	301
26	335	750	468	1026	793	880	653	325
27	123	250	155	501	241	430	199	123
40	316	633	428	1065	697	890	586	332
41	325	632	471	1065	753	915	619	324
42	395	736	505	1058	812	908	668	402
43	358	726	494	1030	813	861	670	383
44	326	711	637	1042	776	894	656	332
45	368	673	489	1030	807	861	665	383

Note: The above rates are base rates with no merit rating adjustment.  
 Class 15 rates are 75% of Class 10 final rates for all coverages.



**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Part 2 (A-2)**

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<u>Territory</u>	<u>Class 10</u>	<u>Class 17</u>	<u>Class 18</u>	<u>Class 20</u>	<u>Class 21</u>	<u>Class 25</u>	<u>Class 26</u>	<u>Class 30</u>
1	35	57	40	104	62	76	46	35
2	38	68	48	124	66	90	49	38
3	38	78	44	149	80	108	59	38
4	40	74	47	141	76	103	56	41
5	46	86	52	154	96	112	71	46
6	47	96	55	162	112	118	82	47
7	54	100	66	179	113	130	83	52
8	55	104	68	185	113	134	83	54
9	60	109	73	198	128	144	94	59
10	60	130	81	223	134	162	98	60
11	64	143	79	221	133	160	97	67
12	67	130	87	221	140	160	103	64
13	76	155	93	221	157	160	115	72
14	84	166	104	217	162	157	119	78
15	95	182	109	217	175	157	127	88
16	84	185	138	211	170	154	125	83
17	54	119	80	221	112	160	82	54
18	67	178	90	218	156	158	114	73
19	79	179	104	211	160	154	116	79
20	73	183	98	217	162	157	119	82
21	88	183	131	213	171	155	125	116
22	86	183	130	213	169	155	124	113
23	64	171	85	214	156	156	114	64
24	62	111	86	216	141	157	103	62
25	68	171	92	196	160	143	116	74
26	82	185	113	211	171	154	125	78
27	30	71	35	124	64	90	47	31
40	79	168	96	218	154	158	113	78
41	79	168	104	218	162	158	119	79
42	96	182	112	217	175	157	127	94
43	86	179	109	217	175	157	127	90
44	80	189	140	214	171	156	125	79
45	90	177	109	217	175	157	127	90

Note: The above rates are base rates with no merit rating adjustment.  
 Class 15 rates are 75% of Class 10 final rates for all coverages.

**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Part 4 Basic (\$5000 PDL)**

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<u>Territory</u>	<u>Class 10</u>	<u>Class 17</u>	<u>Class 18</u>	<u>Class 20</u>	<u>Class 21</u>	<u>Class 25</u>	<u>Class 26</u>	<u>Class 30</u>
1	148	286	191	467	309	498	283	159
2	158	297	213	487	319	519	292	173
3	163	312	209	500	349	534	320	183
4	172	317	225	545	363	582	331	194
5	173	321	234	528	390	563	356	200
6	179	325	223	573	416	612	381	195
7	181	333	244	591	446	631	408	201
8	195	350	247	572	462	611	423	228
9	193	354	245	611	462	652	423	217
10	189	363	261	604	471	645	431	196
11	190	371	263	604	463	645	423	210
12	209	394	272	662	466	707	426	231
13	219	376	265	658	499	702	456	242
14	238	442	296	672	516	718	473	257
15	253	415	311	684	553	731	505	271
16	226	337	314	600	382	640	349	246
17	204	442	264	644	446	688	408	211
18	227	490	300	658	503	702	460	238
19	200	457	271	665	423	710	387	207
20	222	408	293	676	481	721	440	245
21	253	498	332	667	535	712	490	269
22	286	509	401	665	582	710	533	296
23	183	354	245	677	426	722	390	197
24	222	450	305	599	454	639	415	248
25	219	428	309	570	538	608	492	254
26	240	470	360	602	559	643	511	278
27	140	262	168	431	276	460	252	145
40	192	440	230	644	475	688	434	257
41	190	370	274	563	463	601	423	197
42	204	365	292	608	520	649	475	248
43	247	421	316	685	526	732	482	264
44	204	334	264	518	495	553	453	221
45	221	466	272	686	536	732	491	267

Note: The above rates are base rates with no merit rating adjustment.  
 Class 15 rates are 75% of Class 10 final rates for all coverages.

**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Part 5 Basic (B)**

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<u>Territory</u>	Class <u>10</u>	Class <u>17</u>	Class <u>18</u>	Class <u>20</u>	Class <u>21</u>	Class <u>25</u>	Class <u>26</u>	Class <u>30</u>
1	16	34	20	62	34	53	29	16
2	18	35	25	74	40	63	33	18
3	18	35	25	76	40	66	33	18
4	21	40	27	83	45	71	37	21
5	22	46	31	93	52	79	43	22
6	23	48	27	101	57	87	47	23
7	26	48	34	110	64	94	53	26
8	26	48	34	100	59	85	48	26
9	26	51	38	110	69	94	57	27
10	28	58	41	121	75	105	61	28
11	33	65	41	124	82	107	69	32
12	33	63	45	115	82	99	69	34
13	36	63	51	124	90	107	73	36
14	43	81	53	123	90	106	73	39
15	47	88	56	123	97	106	81	49
16	54	75	71	117	95	100	78	54
17	29	66	41	125	70	108	58	29
18	39	87	47	121	89	105	72	43
19	43	87	53	118	80	101	66	45
20	43	88	53	123	89	106	72	49
21	58	87	71	119	96	102	79	67
22	57	87	71	118	95	101	78	66
23	29	79	37	118	86	101	71	29
24	32	58	46	118	71	101	58	32
25	38	83	50	111	90	96	73	39
26	45	87	56	118	95	101	78	45
27	15	30	19	63	30	54	24	15
40	38	79	52	123	85	106	71	38
41	39	75	57	123	90	106	73	39
42	49	88	60	121	96	105	79	49
43	45	87	60	121	97	105	81	49
44	43	85	71	118	95	101	78	54
45	46	88	60	123	97	106	81	49

Note: The above rates are base rates with no merit rating adjustment.  
 Class 15 rates are 75% of Class 10 final rates for all coverages.

**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Part 7 \$500 Deductible (Collision)**

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<u>Territory</u>	<u>Class 10</u>	<u>Class 17</u>	<u>Class 18</u>	<u>Class 20</u>	<u>Class 21</u>	<u>Class 25</u>	<u>Class 26</u>	<u>Class 30</u>
1	333	725	443	1156	712	909	579	332
2	343	762	441	1193	658	937	533	343
3	356	765	469	1214	764	955	620	355
4	369	791	471	1257	759	988	616	365
5	369	813	520	1295	826	1018	670	368
6	380	781	515	1320	860	1037	697	379
7	394	830	561	1421	931	1116	755	394
8	425	905	574	1387	941	1090	763	424
9	410	862	541	1344	945	1056	767	406
10	410	896	555	1347	1013	1058	822	406
11	407	847	549	1424	1004	1120	815	405
12	482	950	647	1397	1052	1098	853	480
13	496	903	640	1451	1130	1141	918	492
14	562	1087	707	1416	1175	1114	954	559
15	658	1055	824	1416	1224	1114	993	646
16	589	1106	752	1382	1055	1087	857	570
17	471	1043	614	1456	986	1144	800	470
18	538	1146	650	1409	1139	1108	924	534
19	460	1058	683	1382	1068	1087	866	574
20	591	1163	826	1398	1180	1098	957	613
21	653	1182	939	1385	1331	1088	1082	710
22	716	1170	963	1372	1293	1078	1048	775
23	477	1026	832	1416	1148	1114	932	474
24	519	1025	718	1413	1019	1110	827	545
25	521	1098	877	1224	1081	963	877	519
26	677	1183	951	1369	1261	1076	1024	699
27	310	687	415	1139	642	895	521	309
40	431	1032	596	1361	992	1069	805	429
41	399	862	639	1273	1040	1000	843	422
42	480	987	701	1395	1155	1096	938	479
43	573	1055	824	1410	1183	1109	961	572
44	461	842	733	1404	1055	1104	857	473
45	515	1092	786	1414	1226	1111	994	512

Note: The above rates are base rates with no merit rating adjustment.  
 Class 15 rates are 75% of Class 10 final rates for all coverages.

**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Part 9 \$500 Deductible (Comprehensive)**

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<u>Territory</u>	<u>Class 10</u>	<u>Class 17</u>	<u>Class 18</u>	<u>Class 20</u>	<u>Class 21</u>	<u>Class 25</u>	<u>Class 26</u>	<u>Class 30</u>
1	104	126	104	127	104	126	104	104
2	114	138	114	139	114	138	114	114
3	114	138	114	139	114	138	114	114
4	114	138	114	139	114	138	114	114
5	119	144	119	144	119	143	119	119
6	115	139	115	140	115	139	115	115
7	124	150	124	151	124	150	124	124
8	131	159	131	159	131	158	131	131
9	126	153	126	153	126	152	126	126
10	129	156	129	156	129	155	129	129
11	119	144	119	144	119	143	119	119
12	137	166	137	166	137	165	137	137
13	156	188	156	189	156	188	156	156
14	166	200	166	201	166	200	166	166
15	203	246	203	247	203	245	203	203
16	293	355	293	356	293	354	293	293
17	115	139	115	140	115	139	115	115
18	166	200	166	201	166	200	166	166
19	196	237	196	238	196	237	196	196
20	158	192	158	192	158	191	158	158
21	220	266	220	266	220	265	220	220
22	249	302	249	302	249	301	249	249
23	204	247	204	248	204	246	204	204
24	156	188	156	189	156	188	156	156
25	193	233	193	234	193	232	193	193
26	252	305	252	306	252	304	252	252
27	104	125	104	126	104	125	104	104
40	136	165	136	165	136	164	136	136
41	145	175	145	176	145	175	145	145
42	147	178	147	178	147	177	147	147
43	179	217	179	217	179	216	179	179
44	200	242	200	242	200	241	200	200
45	178	216	178	216	178	215	178	178

Note: Class 15 rates are 75% of Class 10 final rates for all coverages.

**American Automobile Insurance Company  
 Massachusetts Private Passenger Automobile**

**UNINSURED & UNDERINSURED MOTORISTS**  
  
**FIRST AND ADDITIONAL VEHICLES**

**Uninsured Motorists  
 (Part 3)**

<u>LIMIT</u>	<u>RATE</u>
20/40 (base)	\$10.00
20/50	\$11.00
25/50	\$12.00
25/60	\$13.00
30/70	\$13.00
35/80	\$13.00
50/100	\$14.00
100/200	\$17.00
100/300	\$18.00
200/300	\$19.00
250/500	\$20.00
500/500	\$29.00

**Underinsured Motorists  
 (Part 12)**

<u>LIMIT</u>	<u>RATE</u>
20/40 (base)	\$0.00
20/50	\$0.00
25/50	\$2.00
25/60	\$3.00
30/70	\$6.00
35/80	\$9.00
50/100	\$17.00
100/200	\$37.00
100/300	\$38.00
200/300	\$102.00
250/500	\$124.00
500/500	\$300.00

**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Miscellaneous Factors & Rates**

**Deductibles**

**Personal Injury Protection**

Apply factor to manual base rate (Full coverage PIP) excluding senior citizen discount.

	<u>\$100</u>	<u>\$250</u>	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>	<u>\$4,000</u>	<u>\$8,000</u>
Named insured	0.98	0.96	0.93	0.86	0.74	0.63	0.54
Named insured & household	0.98	0.95	0.90	0.81	0.66	0.52	0.41

**Physical Damage**

Apply factor to manual base rate (\$500 deductible) for model year/symbol excluding senior citizen discount.

	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
Collision	1.00	0.63	0.48
Limited Collision	1.00	0.65	0.45
Comprehensive	1.00	0.67	0.61
\$100 Glass Deductible	0.88		

Add rate to manual base rate (\$500 deductible) for model year/symbol.

	<u>\$0</u>	<u>\$300</u>	
Collision	N/A		= 0.1625 x class/territory base rate, prior to model year/symbol
Limited Collision	\$6	\$3	
Comprehensive	N/A		= 0.03 x class/territory base rate, prior to model year/symbol

Add rate to manual base rate adjusted to applicable deductible.

Waiver of Deductible	<u>\$300</u>	<u>\$500</u>	<u>\$1,000</u>	<u>\$2,000</u>
Collision	\$9	\$12	\$16	\$25

**Discounts**

	<u>Discount</u>	<u>Coverage Part(s)</u>		<u>Discount</u>	<u>Coverage Part(s)</u>
<b>Multi-Car</b>	10%	1, 2, 4, 5, 7, 8, 9	<b>Anti-Theft</b>	see Rule 54	9
<b>Annual Mileage</b>			<b>Future Effective Date</b>		<u>1,2,4,5,6,7,8,9</u>
< 5,000	10%	1 - 8, 12	<u>Year 1</u>	<u>10%</u>	
5,000 - 7,500	5%	1 - 8, 12	<u>Year 2</u>	<u>7%</u>	
			<u>Year 3</u>	<u>4%</u>	
			<u>Years 4 and Greater</u>	<u>0%</u>	
<b>Portfolio Discount</b>					
	20%	1,2,4,5,6,7,8,9,10,11			
<b>Good Student Discount</b>					
	10%	1-12			

**American Automobile Insurance Company  
Massachusetts Private Passenger Automobile Insurance  
Miscellaneous Coverages & Vehicles**

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**Miscellaneous Coverages**

**Medical Payments**

Limit	<u>\$5,000</u>	<u>\$10,000</u>	<u>\$15,000</u>	<u>\$20,000</u>	<u>\$25,000</u>	<u>\$50,000</u>	<u>\$100,000</u>
Rate	\$17	\$23	\$31	\$32	\$36	\$41	\$50

**Substitute Transportation**

per day	\$15	\$30	\$45	\$100
maximum	<u>\$450</u>	<u>\$900</u>	<u>\$1,350</u>	<u>\$3,000</u>
Rate	\$14	\$62	\$151	\$310

**Towing & Labor**

per disablement	<u>\$50</u>	<u>\$100</u>
Rate	\$8	\$17

**Other Covg**

Excess Electronic Equipment	Original Equipment Manufacturers Parts
Rule 46 \$4 per \$100 valuation	Rule 48 Collision 1.05
Customizing Equipment	Limited Collision 1.05
Rule 46	Comprehensive 1.01

**Miscellaneous Vehicles**

**Pick-ups** Apply factor to manual base rate excluding senior citizen discount.

Rule 32	Liability	100%	Collision	55%
			Limited Collision	100%
			Comprehensive	85%

**Other Veh** see Manual Rule page RS-3

Trailers	Rule 34
Motor Homes	Rule 39
Antiques	Rule 40
Motorcycles	Rule 44



**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Model Year / Symbol Factors**  
**Part 7 \$500 Deductible (Collision)**

Sym- bol	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998 & Prior
1	0.835	0.784	0.738	0.695	0.656	0.619	0.583	0.552	0.522	0.493	0.468	0.443	0.421	0.366
2	0.884	0.830	0.781	0.735	0.693	0.653	0.616	0.582	0.549	0.520	0.492	0.466	0.441	0.383
3	0.935	0.878	0.826	0.777	0.732	0.690	0.650	0.613	0.579	0.547	0.517	0.490	0.464	0.402
4	0.992	0.931	0.875	0.823	0.775	0.729	0.686	0.648	0.611	0.577	0.545	0.515	0.488	0.421
5	1.051	0.987	0.927	0.871	0.819	0.771	0.726	0.684	0.645	0.608	0.574	0.543	0.514	0.442
6	1.115	1.047	0.982	0.923	0.868	0.816	0.767	0.723	0.681	0.642	0.606	0.572	0.541	0.464
7	1.182	1.110	1.042	0.978	0.919	0.864	0.812	0.765	0.720	0.678	0.640	0.604	0.570	0.488
8	1.256	1.179	1.106	1.038	0.975	0.915	0.860	0.809	0.761	0.716	0.676	0.637	0.601	0.514
10	1.333	1.252	1.174	1.101	1.033	0.970	0.911	0.856	0.805	0.758	0.714	0.672	0.634	0.541
11	1.416	1.330	1.246	1.168	1.096	1.028	0.966	0.908	0.853	0.802	0.755	0.711	0.670	0.570
12	1.504	1.412	1.323	1.241	1.163	1.091	1.024	0.961	0.903	0.849	0.798	0.752	0.708	0.602
13	1.599	1.501	1.406	1.317	1.234	1.158	1.086	1.019	0.957	0.900	0.845	0.796	0.748	0.635
14	1.701	1.597	1.494	1.400	1.312	1.229	1.153	1.081	1.015	0.953	0.895	0.841	0.792	0.671
15	1.808	1.698	1.590	1.488	1.394	1.306	1.224	1.147	1.077	1.011	0.949	0.892	0.838	0.708
16	1.923	1.806	1.690	1.582	1.481	1.387	1.300	1.219	1.143	1.071	1.006	0.945	0.888	0.749
17	2.048	1.923	1.798	1.683	1.575	1.474	1.381	1.294	1.212	1.138	1.067	1.002	0.941	0.792

\* For symbols 18 and higher, refer to Rule 22.

For model years 1989 and prior, refer to Rule 20.

Effective in 2001, the oldest model year rates need to be further modified to adjust for symbol differences for model years 1989 & prior. The following factors from Rule 20 will always apply to the oldest model year category shown above (the 1998 & prior category):

1	0.29
2	0.32
3	0.36
4	0.41
5	0.46
6	0.51
7	0.57
8	0.64
10	0.71
11	0.80
12	0.89
13	1.00
14	1.12
15	1.25
16	1.40
17	1.57

**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Model Year / Symbol Factors**  
**Part 9 \$500 Deductible (Comprehensive)**

Sym- bol	Model Year													1998
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	& Prior
1	0.606	0.592	0.580	0.568	0.556	0.545	0.534	0.523	0.513	0.502	0.493	0.483	0.474	0.447
2	0.639	0.625	0.612	0.599	0.587	0.575	0.563	0.551	0.540	0.529	0.519	0.508	0.498	0.470
3	0.676	0.661	0.647	0.633	0.620	0.607	0.594	0.582	0.569	0.558	0.547	0.535	0.525	0.495
4	0.715	0.699	0.684	0.670	0.655	0.641	0.628	0.614	0.602	0.589	0.576	0.565	0.553	0.521
5	0.757	0.740	0.724	0.708	0.692	0.677	0.663	0.649	0.636	0.622	0.609	0.596	0.583	0.549
6	0.802	0.784	0.766	0.750	0.733	0.717	0.702	0.686	0.671	0.657	0.643	0.630	0.616	0.580
7	0.850	0.831	0.812	0.794	0.776	0.759	0.743	0.726	0.711	0.695	0.680	0.665	0.651	0.612
8	0.900	0.880	0.860	0.841	0.822	0.804	0.786	0.769	0.752	0.736	0.719	0.704	0.689	0.647
10	0.955	0.934	0.913	0.892	0.872	0.853	0.833	0.814	0.797	0.779	0.762	0.745	0.729	0.684
11	1.015	0.992	0.969	0.947	0.925	0.904	0.884	0.864	0.844	0.826	0.807	0.789	0.772	0.724
12	1.077	1.053	1.029	1.005	0.982	0.960	0.937	0.916	0.895	0.875	0.855	0.836	0.818	0.766
13	1.145	1.119	1.093	1.068	1.043	1.019	0.995	0.972	0.950	0.928	0.907	0.887	0.867	0.812
14	1.217	1.190	1.162	1.135	1.108	1.083	1.057	1.033	1.009	0.986	0.963	0.941	0.920	0.860
15	1.295	1.266	1.236	1.206	1.178	1.151	1.124	1.097	1.071	1.047	1.023	0.999	0.975	0.913
16	1.378	1.347	1.314	1.283	1.253	1.223	1.194	1.166	1.138	1.112	1.086	1.061	1.036	0.968
17	1.466	1.433	1.399	1.366	1.333	1.301	1.270	1.240	1.211	1.182	1.154	1.127	1.101	1.029

\* For symbols 18 and higher, refer to Rule 22.

For model years 1989 and prior, refer to Rule 20.

Effective in 2001, the oldest model year rates need to be further modified to adjust for symbol differences for model years 1989 & prior. The following factors from Rule 20 will always apply to the oldest model year category shown above (the 1998 & prior category):

1	0.24
2	0.28
3	0.32
4	0.36
5	0.41
6	0.46
7	0.53
8	0.60
10	0.68
11	0.77
12	0.88
13	1.00
14	1.14
15	1.29
16	1.47
17	1.67

**American Automobile Insurance Company**  
**Massachusetts Private Passenger Automobile Insurance**  
**Merit Rating Adjustment Factors \***

Merit Rating Code	Experienced Operators (Rate Class 10, 15 or 30)		Inexperienced Operators (All Other Rate Classes)	
	Parts 1, 2, 4, and 5	Part 7	Parts 1, 2, 4, and 5	Part 7
	99	-0.170	-0.170	NA
98	-0.070	-0.070	-0.070	-0.070
0 (base rate)	0.000	0.000	0.000	0.000
1	0.150	0.150	0.075	0.075
2	0.300	0.300	0.150	0.150
3	0.450	0.450	0.225	0.225
4	0.600	0.600	0.300	0.300
5	0.750	0.750	0.375	0.375
6	0.900	0.900	0.450	0.450
7	1.050	1.050	0.525	0.525
8	1.200	1.200	0.600	0.600
9	1.350	1.350	0.675	0.675
10	1.500	1.500	0.750	0.750
11	1.650	1.650	0.825	0.825
12	1.800	1.800	0.900	0.900
13	1.950	1.950	0.975	0.975
14	2.100	2.100	1.050	1.050
15	2.250	2.250	1.125	1.125
16	2.400	2.400	1.200	1.200
17	2.550	2.550	1.275	1.275
18	2.700	2.700	1.350	1.350
19	2.850	2.850	1.425	1.425
20	3.000	3.000	1.500	1.500
21	3.150	3.150	1.575	1.575
22	3.300	3.300	1.650	1.650
23	3.450	3.450	1.725	1.725
24	3.600	3.600	1.800	1.800
25	3.750	3.750	1.875	1.875
26	3.900	3.900	1.950	1.950
27	4.050	4.050	2.025	2.025
28	4.200	4.200	2.100	2.100
29	4.350	4.350	2.175	2.175
30	4.500	4.500	2.250	2.250
31	4.650	4.650	2.325	2.325
32	4.800	4.800	2.400	2.400
33	4.950	4.950	2.475	2.475
34	5.100	5.100	2.550	2.550
35	5.250	5.250	2.625	2.625
36	5.400	5.400	2.700	2.700
37	5.550	5.550	2.775	2.775
38	5.700	5.700	2.850	2.850
39	5.850	5.850	2.925	2.925
40	6.000	6.000	3.000	3.000
41	6.150	6.150	3.075	3.075
42	6.300	6.300	3.150	3.150
43	6.450	6.450	3.225	3.225
44	6.600	6.600	3.300	3.300
45	6.750	6.750	3.375	3.375

\* The merit rating adjustment is determined by applying the above factors (for the appropriate merit rating code) to rates by coverage (after all applicable discounts and rating factors), rounding to the nearest whole dollar amount, and summing the adjustments for all coverages.

**Massachusetts Private Passenger Automobile**  
**Increased Limits Factors for Bodily Injury Liability and Property Damage Liability**

**Applicable to Motor Vehicle Bodily Injury Coverage on All Vehicles and Coverages**  
**Including Motorcycles and Snowmobiles Rated in the Private Passenger Automobile Manual**

**Bodily Injury**  
**Increased Limits**

<b>LIMIT</b>	<b>FACTOR</b>
20/40 (base)	1.00
20/50	1.01
25/50	1.06
30/70	1.11
35/80	1.16
50/100	1.29
100/300	1.50
250/500	1.90
500/500	2.80

**Property damage**  
**Increased Limits**

<b>LIMIT</b>	<b>FACTOR</b>
5,000 (base)	1.00
10,000	1.51
15,000	1.53
25,000	1.55
35,000	1.56
40,000	1.57
45,000	1.57
50,000	1.57
75,000	1.58
80,000	1.58
100,000	1.59
150,000	1.60
200,000	1.61
250,000	1.61

## Massachusetts Private Passenger Automobile

### 2010 Comprehensive \$500 Deductible Stated Amount

Territory	Symbol															
	1	2	3	4	5	6	7	8	10	11	12	13	14	15	16	17
1	1.48	0.70	0.63	0.60	0.56	0.54	0.51	0.50	0.48	0.48	0.47	0.47	0.46	0.45	0.44	0.43
2	1.61	0.76	0.69	0.65	0.62	0.58	0.56	0.54	0.53	0.52	0.51	0.51	0.50	0.49	0.48	0.47
3	1.61	0.76	0.69	0.65	0.62	0.58	0.56	0.54	0.53	0.52	0.51	0.51	0.50	0.49	0.48	0.47
4	1.61	0.76	0.69	0.65	0.62	0.58	0.56	0.54	0.53	0.52	0.51	0.51	0.50	0.49	0.48	0.47
5	1.67	0.79	0.72	0.68	0.64	0.61	0.58	0.56	0.55	0.54	0.53	0.53	0.52	0.51	0.50	0.49
6	1.63	0.77	0.70	0.66	0.62	0.59	0.57	0.55	0.53	0.53	0.52	0.52	0.51	0.49	0.48	0.47
7	1.75	0.83	0.75	0.71	0.67	0.63	0.61	0.59	0.57	0.57	0.56	0.56	0.54	0.53	0.52	0.51
8	1.86	0.88	0.79	0.75	0.71	0.67	0.65	0.62	0.61	0.60	0.59	0.59	0.58	0.56	0.55	0.54
9	1.78	0.84	0.76	0.72	0.68	0.65	0.62	0.60	0.58	0.57	0.57	0.56	0.55	0.54	0.53	0.52
10	1.81	0.86	0.77	0.73	0.69	0.66	0.63	0.61	0.59	0.58	0.58	0.57	0.56	0.55	0.54	0.53
11	1.67	0.79	0.72	0.68	0.64	0.61	0.58	0.56	0.55	0.54	0.53	0.53	0.52	0.51	0.50	0.49
12	1.93	0.92	0.83	0.78	0.74	0.70	0.67	0.65	0.63	0.62	0.62	0.61	0.60	0.58	0.57	0.56
13	2.19	1.04	0.94	0.89	0.84	0.79	0.76	0.74	0.72	0.71	0.70	0.70	0.68	0.66	0.65	0.64
14	2.33	1.10	0.99	0.94	0.89	0.84	0.81	0.78	0.76	0.75	0.74	0.74	0.72	0.70	0.69	0.68
15	2.86	1.35	1.22	1.16	1.09	1.04	0.99	0.96	0.94	0.92	0.91	0.91	0.89	0.87	0.85	0.83
16	4.14	1.96	1.77	1.67	1.58	1.50	1.44	1.39	1.36	1.34	1.32	1.31	1.29	1.25	1.23	1.21
17	1.63	0.77	0.70	0.66	0.62	0.59	0.57	0.55	0.53	0.53	0.52	0.52	0.51	0.49	0.48	0.47
18	2.33	1.10	0.99	0.94	0.89	0.84	0.81	0.78	0.76	0.75	0.74	0.74	0.72	0.70	0.69	0.68
19	2.77	1.31	1.18	1.12	1.06	1.00	0.96	0.93	0.91	0.89	0.88	0.88	0.86	0.84	0.82	0.81
20	2.24	1.06	0.96	0.90	0.86	0.81	0.78	0.75	0.73	0.72	0.71	0.71	0.70	0.68	0.66	0.65
21	3.09	1.46	1.32	1.25	1.18	1.12	1.07	1.04	1.01	1.00	0.99	0.98	0.96	0.93	0.91	0.90
22	3.52	1.66	1.50	1.42	1.34	1.27	1.22	1.18	1.15	1.14	1.12	1.12	1.09	1.06	1.04	1.02
23	2.88	1.36	1.23	1.16	1.10	1.04	1.00	0.97	0.94	0.93	0.92	0.91	0.90	0.87	0.85	0.84
24	2.19	1.04	0.94	0.89	0.84	0.79	0.76	0.74	0.72	0.71	0.70	0.70	0.68	0.66	0.65	0.64
25	2.71	1.28	1.16	1.09	1.04	0.98	0.94	0.91	0.89	0.87	0.86	0.86	0.84	0.82	0.80	0.79
26	3.55	1.68	1.51	1.43	1.36	1.29	1.23	1.19	1.16	1.14	1.13	1.12	1.10	1.07	1.05	1.03
27	1.46	0.69	0.62	0.59	0.56	0.53	0.51	0.49	0.48	0.47	0.47	0.46	0.45	0.44	0.43	0.43
40	1.92	0.91	0.82	0.77	0.73	0.70	0.67	0.64	0.63	0.62	0.61	0.61	0.60	0.58	0.57	0.56
41	2.04	0.97	0.87	0.82	0.78	0.74	0.71	0.69	0.67	0.66	0.65	0.65	0.63	0.62	0.60	0.59
42	2.07	0.98	0.88	0.84	0.79	0.75	0.72	0.70	0.68	0.67	0.66	0.66	0.64	0.63	0.61	0.60
43	2.53	1.20	1.08	1.02	0.97	0.92	0.88	0.85	0.83	0.82	0.81	0.80	0.79	0.76	0.75	0.74
44	2.82	1.33	1.20	1.14	1.08	1.02	0.98	0.95	0.92	0.91	0.90	0.89	0.88	0.85	0.83	0.82
45	2.51	1.19	1.07	1.01	0.96	0.91	0.87	0.84	0.82	0.81	0.80	0.80	0.78	0.76	0.74	0.73

### Collision & Limited Collision \$500 Deductible

Rate per \$100 of insured value = Actual Cash Value Premium / Stated Amount Divisor

(Actual Cash Value Premium - see Manual Rule R-41)

Stated Amount Divisor			
Symbol		Symbol	
1	32.50	10	156.25
2	72.50	11	168.75
3	85.00	12	181.25
4	95.00	13	193.75
5	106.25	14	210.00
6	118.75	15	230.00
7	131.25	16	250.00
8	143.75	17	270.00

Deductibles and Waiver of Deductible - same as actual cash value rates.

## Massachusetts Private Passenger Automobile

### Stated Amount Rates Comprehensive \$500 Deductible

**Table of Values Used to Calculate 2009 Stated Amount Rates**

<u>Symbol</u>	(a) Private Passenger Comprehensive <u>Model Year 2010 Factor by Symbol</u>	(b) Median <u>Symbol Value</u>
1	0.592	3,250
2	0.625	7,250
3	0.661	8,500
4	0.699	9,500
5	0.740	10,625
6	0.784	11,875
7	0.831	13,125
8	0.880	14,375
10	0.934	15,625
11	0.992	16,875
12	1.053	18,125
13	1.119	19,375
14	1.190	21,000
15	1.266	23,000
16	1.347	25,000
17	1.433	27,000

Comprehensive stated amount rates are calculated using the following:

- (a) Private Passenger 2009 comprehensive factor for the latest model year shown in the rate pages for each symbol (displayed above)
- (b) Median symbol value (displayed above)
- (c) Private Passenger 2009 Class 10 base rates by territory for comprehensive.

The comprehensive stated amount rate per \$100 is calculated as:  $(c) \times (a) \times (100) / (b)$

**MASSACHUSETTS  
PRIVATE PASSENGER  
AUTOMOBILE INSURANCE MANUAL**



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## SECTION I - GENERAL RULES

### **RULE 1. MASSACHUSETTS AUTOMOBILE INSURANCE POLICY - ELIGIBILITY**

All individually owned vehicles registered under the Massachusetts compulsory motor vehicle law and rated in accordance with this Manual may be written on the AIB Massachusetts Automobile Insurance Policy.

Coverage for risks not subject to the compulsory law may be provided under the countrywide Personal Auto Policy and the Massachusetts Amendment of Policy Provisions Endorsement MP 00 99 at rates determined in accordance with this Manual.

### **RULE 2. COVERAGES AND LIMITS**

The types of coverages available in the AIB Massachusetts Automobile Insurance Policy are:

#### **Compulsory Insurance Coverages**

##### **Part 1 - Bodily Injury To Others**

The basic limits are \$20,000 each person and \$40,000 each accident.

##### **Part 2 - Personal Injury Protection**

The basic limit is \$8,000 for each person. Refer to Rule 30 for available deductibles.

##### **Part 3 - Bodily Injury Caused By An Uninsured Auto**

The basic limits are \$20,000 each person and \$40,000 each accident. Increased limits are available. The limits may not exceed the limits of Part 5, or if Part 5 is not purchased, Part 1 of this policy. This coverage is excess over Personal Injury Protection.

##### **Part 4 - Damage To Someone Else's Property**

The basic limit is \$5,000 each accident. Increased limits are available.

#### **Optional Insurance Coverages**

##### **Part 5 - Optional Bodily Injury To Others**

The basic limits are \$20,000 each person and \$40,000 each accident. Increased limits are available.

##### **Part 6 - Medical Payments**

The basic limit is \$5,000 each person. Higher limits are available for all motor vehicles rated in this manual. Motorcycle limits are available from \$500 to \$50,000. This coverage is excess over Personal Injury Protection.

##### **Part 7 - Collision**

This coverage is subject to a basic deductible of \$500. A deductible of \$300 is available subject to underwriting requirements established by the insurer, as permitted by law. Higher deductibles are available at the option of the insured. Waiver of Deductible is available at the option of the insured. Endorsement MPY-0016-S must be attached. This coverage is written on an actual cash value or stated amount basis.

##### **Part 8 - Limited Collision**

This coverage is subject to a basic deductible of \$500. Other deductibles or full coverage are available at the option of the insured. This coverage is written on an actual cash value or stated amount basis.

##### **Part 9 - Comprehensive**

This coverage is subject to a basic deductible of \$500. A deductible of \$300 is available subject to underwriting requirements established by the insurer, as permitted by law. Higher deductibles are available at the option of the insured. A separate \$100 glass deductible is also available at the option of the insured. Endorsement MPY-0039-S, titled \$100 Glass Deductible, must be issued with the policy. This glass deductible is in addition to the otherwise applicable deductible for Part 9. This coverage is written on an actual cash value, stated amount or agreed amount basis.

##### **Part 10 - Substitute Transportation**

This coverage pays for loss of use of a motor vehicle as a result of an accident or loss. Refer to the Miscellaneous Rating factors page for applicable limits and premiums.

## **Part 11 - Towing And Labor**

This coverage will pay up to \$50 or up to \$100 for towing and labor costs for each auto disablement. It is available only for private passenger motor vehicles, as defined in Rule 27, and motorcycles.

## **Part 12 - Bodily Injury Caused By An Underinsured Auto**

The basic limits are \$20,000 each person and \$40,000 each accident. Increased limits are available. The limits may not exceed the limits of Part 5, or if Part 5 is not purchased, Part 1 of this policy. This coverage is excess over Personal Injury Protection.

## **RULE 3. MANDATORY OFFER OF COVERAGE**

Massachusetts law requires a company that provides Compulsory Insurance Coverages to make a mandatory offer to issue to any person so insured additional coverages consisting of:

1. Limits up to \$35,000 each person and \$80,000 each accident for Parts 3, 5 and 12.
2. \$5,000 each person for Part 6.
3. Parts 7, 8 and 9, subject to a basic deductible of \$500.
4. Part 10 - Substitute Transportation.
5. Fire, Theft and Comprehensive Coverage subject to a basic deductible of \$500.

## **RULE 4. STANDARD PROCEDURES**

### **A. Renewals**

1. The company must mail the Coverage Selections Page not less than thirty days prior to policy expiration. The Coverage Selections Page may be accompanied by the Massachusetts Renewal Form.
2. The Company may elect to secure payment of a deposit premium. The premium quotation shall be based on the latest classification information and premium charges established for the renewal policy.
3. Failure to pay the deposit premium may result in cancellation of the policy. The specific reason for cancellation is non-payment of any required premium and fees.

The Cancellation Notice must also contain the following statement:

"This cancellation will not take effect if the full amount of premium and fees due shown above is paid on or prior to the effective date of cancellation."

### **B. Non-Renewal**

1. No company shall refuse to renew a policy unless written notice is given by the company to the insured, or the producer or broker producing the business, at least forty-five days prior to the expiration of the policy.
  - a. A notice required to be sent by the company to the insured may be by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. Unless another company has replaced the insurance, the notice should be electronically transmitted to the Registry of Motor Vehicles not earlier than the policy expiration date. If the insurance and registration are coterminous, it will not be necessary to notify the Registry of Motor Vehicles.
  - b. If the notice is required to be sent by the company to the producer or broker producing the business, such producer or broker shall, within fifteen days of receiving such notice, send a copy to the insured by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. The producer or broker must notify the company not later than the policy expiration date if the insurance is not replaced so that the company may, in turn, electronically transmit the notice to the Registry of Motor Vehicles. Notice to the company is not required if the insurance and registration are coterminous.

**C. New Business**

1. The producer is required to submit an Application for Massachusetts Motor Vehicle Insurance from the applicant.
2. The producer must verify that there is no automobile insurance premium owed to the former company or producer.
3. The producer of record must provide information necessary for a company to transmit data to the Registry of Motor Vehicles for each vehicle insured.

In addition to reporting the necessary information to the company, the producer shall prepare an RMV-3 form, accompanied by the appropriate fee, for processing by the Registry of Motor Vehicles.

4. At the same time this information is provided to the insurer, the producer of record shall notify the former producer of record, if known, and the former insurer that a certificate of coverage has been issued for the policy. The notice must be signed by the producer of record or issued on the insurer's letterhead and the notice must bear the Registry stamp of the insurer, which may be in electronic format. The notice may be in hard copy or electronic format.
5. Upon receipt of the notice of transfer of insurer, the former insurer shall:
  - a. discontinue coverage as of the date shown on a notice of transfer; and
  - b. compute the return premium, if any, as of the date shown on a notice of transfer .

No notice of cancellation is required.

**D. Cancellation**

1. Notice of cancellation must be given in a timely manner as required by Massachusetts law and shall include the specific reason(s) for cancellation.
2. The company must electronically notify the Registry of Motor Vehicles immediately upon the intended effective date of cancellation.

Refer to Rule 18.

**RULE 5. RESIDENCE AND LOCATION**

The proper rate schedules and rules are those effective in the city or town where the automobile is principally garaged. Motor vehicles used by salesmen or solicitors, or those with similar duties, requiring the operation of the motor vehicle in more than one rating territory in Massachusetts, shall be assigned to the territory determined by the place of principal garaging, or, if there is no specific city or town of principal garaging, then, by the residential address of the operator, or, if the residential address of the operator cannot be determined, then, by the Massachusetts business address of the operator. No adjustment of the premium shall be made by reason of a change in the place of principal garaging during the policy period unless such change is permanent.

Massachusetts registration is required of non-residents in accordance with reciprocal agreements with the various states as determined by the Registrar of Motor Vehicles.

Any motor vehicle owned by a non-resident of Massachusetts for which Massachusetts registration is required, regularly garaged inside the Commonwealth, shall be charged the rate for the territory in which the motor vehicle is principally garaged by such non-resident during the period of Massachusetts registration.

**RULE 6. OUT-OF-STATE GARAGING**

Any motor vehicle, whether owned by a resident or non-resident of Massachusetts for which Massachusetts registration is required, principally garaged outside of Massachusetts shall be written at limits of liability at least equal

to the financial responsibility limits of the state of principal garaging, and shall be charged the rates for vehicles garaged in Territory 9.

**RULE 7. POLICY PERIOD**

- A. The insured shall have the option to purchase and the insurer shall not refuse to issue an annual motor vehicle policy or bond providing compulsory coverages containing any expiration date as the insured may elect. Insurers may offer such policies or bonds for a period of more than one year but not more than two years or may issue an extension of any existing policy or bond.
- B. Policies insuring individually owned motorcycles, trailers and other recreational-type vehicles shall, at the option of the insured, be issued for a period of less than one year with policy expiration to be coterminous with the registration. Endorsement M-0103-S, titled Non-Renewal of Policy (Motorcycles, Recreational Vehicles & Trailers), must be issued with the policy.

"Recreational-type vehicle" means a land motor vehicle subject to a motor vehicle registration which expires November 30 or December 31, and is principally used for vacation travel or leisure-time activity. Registration for motorcycles expires December 31. Registration for all other recreational vehicles expires November 30.

The premium for such policies shall be determined by applying the appropriate percentage to the annual rate based on policy inception date as shown in the table below.

Percentages for Short Term Policies				
		Date Interval*		Percent of Annual Rates
All Other		Motorcycle		
Dec.	1-31	Jan.	1-31	100
Jan.	1-31	Feb.	1-28	98
Feb.	1-28	Mar.	1-31	94
Mar.	1-31	Apr.	1-30	90
Apr.	1-30	May	1-31	88
May	1-31	Jun.	1-30	86
Jun.	1-30	Jul.	1-31	80
Jul.	1-15	Aug.	1-15	75
Jul.	16-31	Aug.	16-31	68
Aug.	1-15	Sep.	1-15	60
Aug.	16-31	Sep.	16-30	53
Sep.	1-15	Oct.	1-15	45
Sep.	16-30	Oct.	16-31	38
Oct.	1-15	Nov.	1-15	30
Oct.	16-31	Nov.	16-30	27
Nov.	1-15	Dec.	1-15	20
Nov.	16-30	Dec.	16-31	14

\*All dates inclusive

**RULE 8. CHANGES**

- A. All changes to a policy during its term which require adjustments of premium shall be computed pro rata based on the rates in effect on the policy inception date.
- B. **Minimum Premiums**
1. If an outstanding policy is amended and results in a premium adjustment of less than \$5, such adjustment may be waived, or it may be made subject to a minimum adjustment of \$5 except that the actual return premium of less than \$5 shall be allowed at the request of the insured.
  2. A minimum premium of \$5 shall apply if an additional premium results because a coverage is added, or the limits of liability are increased, or a deductible is reduced, at the request of the insured during the policy period.

3. If a return premium of less than \$5 results because a coverage is cancelled, or limits of liability are reduced, or a deductible is increased at the request of the insured, no refund need be made except at the request of the insured, in which case the actual return premium shall be allowed.
4. If the limits of liability are increased because of a change in the limits prescribed under any financial responsibility law, the additional premium charge shall be the actual difference in premium charges; if less than \$5, it may be charged or waived.

## **RULE 9. MOTOR VEHICLE REGISTRATION CERTIFICATES**

The specific insurance certification requirements under the Massachusetts compulsory motor vehicle insurance law are included in Section 1A of General Laws Chapter 90. Motor vehicles not subject to the compulsory law do not require insurance certification.

Every insurance carrier issuing a motor vehicle liability insurance policy covering a motor vehicle or trailer subject to the compulsory law must issue the prescribed Motor Vehicle Registration Certificate indicating a policy or binder has been issued covering such motor vehicle or trailer. No form or certificate shall be used other than that which is a part of the Massachusetts motor vehicle application for registration.

Certificates shall be executed in the name of the insurance carrier only by individuals authorized to sign in the prescribed Authorization To Sign Motor Vehicle Registration Certificates form filed with the Commissioner of Insurance.

Section 34 B of General Laws Chapter 90, G.L. provides penalties for unlawful use of the Motor Vehicle Registration Certificate.

## **RULE 10. CERTIFIED RISKS - FINANCIAL RESPONSIBILITY LAWS**

### **A. Application**

If a certificate of insurance is necessary to comply with the requirements of a financial responsibility law of any state or province of Canada, the insurance company must issue evidence of financial responsibility upon request of the insured, for an additional premium.

In the event that evidence of financial responsibility is required as the result of a motor vehicle violation, a policy affording Damage To Someone Else's Property (Part 4) and Optional Bodily Injury To Others (Part 5) shall be construed to have the necessary limits of liability of the state or province.

In the event that a certificate of insurance for the future is required as the result of a conviction of a motor vehicle violation, the policy limits shall be increased to afford limits of liability not less than that required by the financial responsibility laws of the state or province requesting certification and premium shall be increased accordingly.

The filing of a financial responsibility certificate of insurance as the result of a conviction of a motor vehicle violation requires the following premium adjustments to be added to the otherwise applicable premiums as follows:

#### **1. Owners**

- a. If an owner is required to file evidence of financial responsibility for owned automobiles and for the operation of automobiles which he does not own, the additional premium shall be the applicable percentage in Section B of the sum of the total of Parts 1, 2, 4 and 5 premium for the highest rated automobile owned by the insured and the total non-ownership liability premium, modified in accordance with any applicable rating plan.
- b. In all other cases, the additional premium shall be the applicable percentage in Section B of the total premium for Parts 1, 2, 4 and 5 for the highest rated automobile owned by the insured, modified in accordance with any applicable rating plan.

#### **2. Non-Owners**

- a. If the policy is written to insure a Named Operator or Named Non-Owner, the additional premium shall be the applicable percentage in Section B of the total bodily injury and property damage premium for the policy.
- b. If coverage is provided under a policy which has been extended to cover a named individual in accordance with the Use of Other Automobiles Rule (Rule 50), the additional premium shall be the applicable percentage of the (1) bodily injury premium for the highest rated automobile insured under the policy for the rating territory in which the named individual is located, or (2) if there is no automobile at such location, the rates for a Class 30 private passenger automobile for the territory in which the named individual is located.

**B. Additional Premium Percentages**

1. The otherwise applicable premium will be increased by 50% if the certificate is required for a conviction listed below. This increase is to be applied for the period of time a certificate is required, but in no event for a period in excess of three years following conviction. Thereafter, the otherwise applicable premium will be increased by 5%.
  - a. Driving a motor vehicle while intoxicated or under the influence of marijuana or a narcotic drug.
  - b. Failing to stop and report when involved in an accident.
  - c. Homicide or assault arising out of the operation of a motor vehicle.
2. The otherwise applicable premium will be increased by 25% if the certificate is required for a conviction listed below. This increase is to be applied for the period of time a certificate is required, but in no event for a period in excess of three years following conviction. Thereafter, the otherwise applicable premium will be increased by 5%.
  - a. Driving a motor vehicle at an excess rate of speed where an injury to a person or damage to property actually results therefrom.
  - b. Driving a motor vehicle in a reckless manner where an injury to person or damage to property actually results therefrom.
3. The otherwise applicable premium will be increase by 5% if the certificate is required for any other cause whatsoever.

**RULE 11. PREMIUM CALCULATION RULE**

The following sequence shall be used in rating the policy. The manual rate includes any premium adjustment as may be necessary to increase, reduce or eliminate the deductible amount applicable to Parts 7, 8 and 9, or to apply Waiver of Deductible under Part 7.

1. Apply the appropriate rating factor under Rule 48 to the rate for Parts 7, 8 or 9, if applicable.
2. Apply the appropriate discount(s) to the premium developed in Step 1. Refer to Rule 19 for a definition of the available discounts.

Parts 1 through 9 and Part 12 may be subject to more than one discount. In such case, the order of discounts shall be (1) annual mileage, (2) multi-car, (3) anti-theft, (4) Portfolio (5) Good Student and (6) class 15. The discount shall be rounded to the nearest dollar after each application.

3. Add the appropriate merit rating adjustment to the premium developed in step 2.

**RULE 12. WHOLE DOLLAR PREMIUM RULE**

The premium for each exposure shall be rounded at each step to the nearest whole dollar, separately for each coverage provided by the policy.



A premium involving \$0.50 or more shall be rounded to the next whole dollar at the end of each step. This does not apply to Part 5, 20/40 limits and Part 6, \$5,000 limit where rates displayed in the manual may be used or rounded to the lower whole dollar.

This procedure shall apply to all interim premium adjustments, including endorsements or cancellations at the request of the insured. In the case of cancellation by the company, the return premium may be carried to the next higher whole dollar.

**NOTE:** The premium for "each exposure" means the premium developed for each coverage for each automobile after the application of all applicable discounts.

### **RULE 13. INSTALLMENT PAYMENT OF PREMIUMS**

All motor vehicle insurance policy premium charges are due and payable on the effective date of the policy, subject to the provisions of the Deposit Premium Rule (Rule 14), unless an installment payment plan is used.

### **RULE 14. DEPOSIT PREMIUM RULE**

A company, its producer or any broker may require deposit premium prior to the issuance of a policy provided the per vehicle deposit does not exceed 30% of the applicable annual premium for the insurance requested. If the applicant has been in default in the payment of any premium for automobile insurance during the preceding 24 months, the entire policy premium charges are payable in advance.

### **RULE 15. EMPLOYERS SUBJECT TO MASSACHUSETTS WORKERS' COMPENSATION ACT**

Motor vehicles owned by an employer subject to the Massachusetts workers' compensation law not used at any time to transport persons other than employees of the named insured shall be eligible for a 25% reduction in the Personal Injury Protection premium otherwise applicable. A vehicle which qualifies for this reduction is not eligible for any Personal Injury Protection deductible.

### **RULE 16. DEDUCTIBLES - PARTS 7, 8 and 9**

Deductibles, higher than the standard deductible, are available for Collision, Limited Collision and Comprehensive Coverages. Refer to the Miscellaneous Rating Factors page for applicable factors.

### **RULE 17. SUBSTITUTE TRANSPORTATION**

The charges for this coverage are on a per vehicle/per year basis for automobiles and motorcycles. Refer to the Miscellaneous Rating Factors page for applicable limits and premiums.

### **RULE 18. TERMINATION OF INSURANCE**

#### **A. Cancellations**

The following provisions apply when a policy is cancelled:

1. If a policy is cancelled the return premium shall be computed pro rata.
2. Theft of Vehicle or Plates
  - a. If the insured automobile is stolen or destroyed (total or constructive total loss) and cancellation is requested by the insured within thirty days following the date the automobile is stolen or destroyed, the return premium for all coverages (including the premium for the coverages under which loss was paid) shall be calculated on a pro rata basis from the day following the date of such loss.
  - b. If the insured registration plates are stolen or destroyed, a lost plate affidavit is to be issued to the Registry of Motor Vehicles canceling only coverage with respect to such plates effective the day

following the date of such loss, and the policy shall continue to provide coverage with respect to any replacement plates.

- c. If the insured files a lost plate affidavit with the Registry of Motor Vehicles, the company may cancel the policy.
3. Except as otherwise provided by law, no cancellation of the policy, or any of its parts, whether by the company or by the insured, shall be valid unless written notice thereof is given by the party proposing cancellation to the other party at least twenty days in each case prior to the intended effective date thereof. Notice of cancellation sent by the company to the insured and the loss payee at the addresses stated in the policy by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service, shall be a sufficient notice and that an affidavit of any officer, producer, or employee of the company, duly authorized for the purpose that he has so sent such addressed as aforesaid, shall be prima facie evidence of the sending thereof as aforesaid. When the cancellation becomes effective, the company shall electronically transmit the pertinent data to the Registry of Motor Vehicles in the manner prescribed by the Uninsured Motorists System (UMS). The written notice to the insured shall specify the reason or reasons for cancellation. If the reason for cancellation is non-payment of premium, the notice of cancellation shall state the amount of deficiency of the premium and fees owed to the company for all the insurance provided and shall state in substance that the cancellation will not be effective if the insured pays the full amount of the premium and fees due on or prior to the effective date of the cancellation. If a cancellation of the policy results in a return premium of less than \$5.00, no refund need be made except at the request of the insured, in which case the actual return premium be allowed.

#### **B. Sale or Transfer of Motor Vehicle, Surrender of Registration Plates, or Filing of a New Certificate**

The policy shall terminate upon:

1. The sale or transfer of title by the owner of the motor vehicle or trailer thirty (30) days after the transfer unless the owner has registered a replacement motor vehicle.
2. The surrender to the Registry of Motor Vehicles of the registration plates issued to the owner of the motor vehicle by the Registrar of Motor Vehicles under Chapter 90, with a written statement, in such form as the Registrar may require, that they are surrendered to cancel the registration of, and the insurance under, the policy for such motor vehicle or trailer.
3. The filing with the Registry a certificate of insurance of another company as of the effective date of such certificate.

NOTE: If more than one motor vehicle or trailer is described in the policy, the termination of coverage applies only to the motor vehicle or trailer involved in one of the situations described above.

#### **C. Reinstatement**

If a policy has been cancelled by an insurance company, and such policy is later reinstated by the Board of Appeal on Motor Vehicle Liability Policies and Bonds or by a court of competent jurisdiction, the premium charge for the unexpired term of the policy shall be calculated pro rata on the premium applicable to the policy when originally issued.

#### **D. Plates Returned Receipt**

In the event that a policy has been terminated by (a) sale or transfer of the motor vehicle, or (b) surrender of the registration plates by the owner of the motor vehicle with a written statement in such form as the Registrar may require, that they are surrendered to cancel the registration of, and the insurance under, the policy for such motor vehicle or trailer, a receipt from the Registry of Motor Vehicles stating that the registration plates have been surrendered must be furnished to the insurance company.

#### **E. Leased Vehicles Under Long Term Contract**

In the event a policy on a leased vehicle under a long-term contract is cancelled, the cancellation notice is to be issued in the name of the person or organization to whom the policy was issued. A copy of the cancellation notice must be sent to the owner/registrant also, if it is other than the person to whom the policy was issued.

Upon the intended effective date of cancellation, a notice issued in the name of the actual owner/registrant must be electronically transmitted to the Registry by the company.

**F. Instructions For Use of Pro Rata Table**

1. Express the date of cancellation by year and decimal part of a year by combining the calendar year with the decimal appearing opposite the month and day in the Pro Rata Table, e.g., March 7, 2007, is designated as 2007.181.
2. In like manner express the effective date of the policy by year and decimal part of a year and subtract from the cancellation date.
3. The difference, in the case of one year policies, represents the percentage of the annual premium which is to be retained by the carrier.

Examples:

Cancellation date September 22, 2007	2007.726
Effective date July 6, 2007	<u>2007.512</u>
	.214

Earned premium for one year policy term will therefore be .214 times the annual premium.

Cancellation date March 7, 2007	2007.181
Effective date December 15, 2006	<u>2006.956</u>
	.225

Earned premium for one year policy term will therefore be .225 times the annual premium.

**NOTE:** As it is not customary to charge for the extra day (February 29) which occurs one year in every four years, this table shall also be used for each year.

**PRO RATA TABLE**

January			February			March			April			May			June		
Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio
1	1	.003	1	32	.088	1	60	.164	1	91	.249	1	121	.332	1	152	.416
2	2	.005	2	33	.090	2	61	.167	2	92	.252	2	122	.334	2	153	.419
3	3	.008	3	34	.093	3	62	.170	3	93	.255	3	123	.337	3	154	.422
4	4	.011	4	35	.096	4	63	.173	4	94	.258	4	124	.340	4	155	.425
5	5	.014	5	36	.099	5	64	.175	5	95	.260	5	125	.342	5	156	.427
6	6	.016	6	37	.101	6	65	.178	6	96	.263	6	126	.345	6	157	.430
7	7	.019	7	38	.104	7	66	.181	7	97	.266	7	127	.348	7	158	.433
8	8	.022	8	39	.107	8	67	.184	8	98	.268	8	128	.351	8	159	.436
9	9	.025	9	40	.110	9	68	.186	9	99	.271	9	129	.353	9	160	.438
10	10	.027	10	41	.112	10	69	.189	10	100	.274	10	130	.356	10	161	.441
11	11	.030	11	42	.115	11	70	.192	11	101	.277	11	131	.359	11	162	.444
12	12	.033	12	43	.118	12	71	.195	12	102	.279	12	132	.362	12	163	.447
13	13	.036	13	44	.121	13	72	.197	13	103	.282	13	133	.364	13	164	.449
14	14	.038	14	45	.123	14	73	.200	14	104	.285	14	134	.367	14	165	.452
15	15	.041	15	46	.126	15	74	.203	15	105	.288	15	135	.370	15	166	.455
16	16	.044	16	47	.129	16	75	.205	16	106	.290	16	136	.373	16	167	.458
17	17	.047	17	48	.132	17	76	.208	17	107	.293	17	137	.375	17	168	.460
18	18	.049	18	49	.134	18	77	.211	18	108	.296	18	138	.378	18	169	.463
19	19	.052	19	50	.137	19	78	.214	19	109	.299	19	139	.381	19	170	.466
20	20	.055	20	51	.140	20	79	.216	20	110	.301	20	140	.384	20	171	.468
21	21	.058	21	52	.142	21	80	.219	21	111	.304	21	141	.386	21	172	.471
22	22	.060	22	53	.145	22	81	.222	22	112	.307	22	142	.389	22	173	.474
23	23	.063	23	54	.148	23	82	.225	23	113	.310	23	143	.392	23	174	.477
24	24	.066	24	55	.151	24	83	.227	24	114	.312	24	144	.395	24	175	.479
25	25	.068	25	56	.153	25	84	.230	25	115	.315	25	145	.397	25	176	.482
26	26	.071	26	57	.156	26	85	.233	26	116	.318	26	146	.400	26	177	.485
27	27	.074	27	58	.159	27	86	.236	27	117	.321	27	147	.403	27	178	.488
28	28	.077	28	59	.162	28	87	.238	28	118	.323	28	148	.405	28	179	.490
29	29	.079	29			29	88	.241	29	119	.326	29	149	.408	29	180	.493
30	30	.082	30			30	89	.244	30	120	.329	30	150	.411	30	181	.496
31	31	.085	31			31	90	.247	31			31	151	.414	31		
July			August			September			October			November			December		
Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio
1	182	.499	1	213	.584	1	244	.668	1	274	.751	1	305	.836	1	335	.918
2	183	.501	2	214	.586	2	245	.671	2	275	.753	2	306	.838	2	336	.921
3	184	.504	3	215	.589	3	246	.674	3	276	.756	3	307	.841	3	337	.923
4	185	.507	4	216	.592	4	247	.677	4	277	.759	4	308	.844	4	338	.926
5	186	.510	5	217	.595	5	248	.679	5	278	.762	5	309	.847	5	339	.929
6	187	.512	6	218	.597	6	249	.682	6	279	.764	6	310	.849	6	340	.932
7	188	.515	7	219	.600	7	250	.685	7	280	.767	7	311	.852	7	341	.934
8	189	.518	8	220	.603	8	251	.688	8	281	.770	8	312	.855	8	342	.937
9	190	.521	9	221	.605	9	252	.690	9	282	.773	9	313	.858	9	343	.940
10	191	.523	10	222	.608	10	253	.693	10	283	.775	10	314	.860	10	344	.942
11	192	.526	11	223	.611	11	254	.696	11	284	.778	11	315	.863	11	345	.945
12	193	.529	12	224	.614	12	255	.699	12	285	.781	12	316	.866	12	346	.948
13	194	.532	13	225	.616	13	256	.701	13	286	.784	13	317	.868	13	347	.951
14	195	.534	14	226	.619	14	257	.704	14	287	.786	14	318	.871	14	348	.953
15	196	.537	15	227	.622	15	258	.707	15	288	.789	15	319	.874	15	349	.956
16	197	.540	16	228	.625	16	259	.710	16	289	.792	16	320	.877	16	350	.959
17	198	.542	17	229	.627	17	260	.712	17	290	.795	17	321	.879	17	351	.962
18	199	.545	18	230	.630	18	261	.715	18	291	.797	18	322	.882	18	352	.964
19	200	.548	19	231	.633	19	262	.718	19	292	.800	19	323	.885	19	353	.967
20	201	.551	20	232	.636	20	263	.721	20	293	.803	20	324	.888	20	354	.970
21	202	.553	21	233	.638	21	264	.723	21	294	.805	21	325	.890	21	355	.973
22	203	.556	22	234	.641	22	265	.726	22	295	.808	22	326	.893	22	356	.975
23	204	.559	23	235	.644	23	266	.729	23	296	.811	23	327	.896	23	357	.978
24	205	.562	24	236	.647	24	267	.732	24	297	.814	24	328	.899	24	358	.981
25	206	.564	25	237	.649	25	268	.734	25	298	.816	25	329	.901	25	359	.984
26	207	.567	26	238	.652	26	269	.737	26	299	.819	26	330	.904	26	360	.986
27	208	.570	27	239	.655	27	270	.740	27	300	.822	27	331	.907	27	361	.989
28	209	.573	28	240	.658	28	271	.742	28	301	.825	28	332	.910	28	362	.992
29	210	.575	29	241	.660	29	272	.745	29	302	.827	29	333	.912	29	363	.995
30	211	.578	30	242	.663	30	273	.748	30	303	.830	30	334	.915	30	364	.997
31	212	.581	31	243	.666	31			31	304	.833	31			31	365	1.00

**RULE 19. DISCOUNTS****A. Multi-Car**

A policyholder who owns two or more automobiles and purchases coverage from the same company for at least two such automobiles, shall be entitled to a reduction of the premium applicable to Coverage Parts 1, 2, 4, 5, 7, 8 and 9. At least two of the automobiles must be private passenger vehicles as defined in Rule 27, except that vehicles classified as antiques are not eligible. The premium reduction applies only to private passenger vehicles as defined in Rule 27. Refer to Miscellaneous Rating Factors page for applicable discount.

**B. Anti-Theft Device**

Refer to Anti-Theft Devices Standards and Discounts Rule 54.

**C. Class 15**

Premiums otherwise applicable to class 10 automobiles shall be reduced by 25% for insureds age 65 or older. The policyholder is required to notify the company of any change in operator usage which would affect entitlement to the discount.

The 25% discount is applied to the final premium for each part after all other discounts and rating factors have been completed. It is the last step in the rating process prior to the application of the merit rating plan.

**D. Annual Mileage Discount**

A discount of the premium paid for Parts 1, 2, 3, 4, 5, 6, 7, 8 and 12 will be given to eligible policyholders on request, when the annual mileage of the vehicle falls into one of two categories. The discount will be based on the actual mileage driven in the previous policy year as determined by a comparison of two odometer readings, at least six months apart, from Registry of Motor Vehicle information or the Annual Mileage Discount Form and other standard automobile insurance forms available to the company. Refer to the Miscellaneous Rating Factors page for the applicable categories and discounts.

**1. Eligibility**

The vehicle must be a private passenger vehicle as defined in Rule 27, except that vehicles classified as Antiques are not eligible. The company may request that the applicant for the discount complete the Annual Mileage Discount Form for the verification of eligibility for the discount.

**2. Verification**

The company may use the odometer readings provided by the applicant on the Annual Mileage Discount Form or other standard forms available to the company, in order to verify the mileage driven in the past year. The company shall compute the annualized difference between the odometer reading at the time of application and the previous odometer reading to determine eligibility. If a vehicle replaces a vehicle which is receiving the discount, the annual mileage of the prior vehicle will be attributed to the replacement vehicle.

The company may use information from the Vehicle Inspection System of the Registry of Motor Vehicles to verify annual mileage. The difference in the two most recent odometer readings reported by the Registry, if at least six months apart, shall be annualized to determine eligibility for the discount. If the Registry reports only one reading, which is more than six months before the application for the discount, the applicant may provide a current odometer reading on the Annual Mileage Discount Form, and the difference shall be annualized to determine eligibility.

If two odometer readings, at least six months apart, are not available to the company through the Registry of Motor Vehicles, the Annual Mileage Discount Form or other standard forms, the vehicle is not eligible for the annual mileage discount.

**3. Application of Discount**

The applicable discount applies to rates otherwise determined for each insured vehicle by coverage, limits purchased, territory, driver class, and model year and symbol prior to the application of the merit rating plan.

## E. Portfolio Discount

A discount will apply to Parts 1, 2, 4, 5, 6, 7, 8, 9, 10 and 11 when the named insured or spouse is also the named insured on a Personal Insurance property policy with one of the Fireman's Fund Insurance Companies. The property policy shall include a Homeowner, Condominium, or Renters policy.

The applicable rating factors are shown in the Automobile Rating Section.

## F. Good Student Discount

A discount will apply to Parts 1-12 where the insured meets the following criteria:

### A. The rated operator is:

1. classified in one of the following inexperienced operator classes: 17, 18, 20, 21, 25 or 26 and
2. a full time high school, college or university student.

**B.** A certified statement from a school official is presented to the Company on each anniversary date of the policy indicating that the student has met one of the following requirements during the immediately preceding school semester:

1. is in the upper 20% of his/her class scholastically, or
2. maintains a "B" average, or its equivalent. If the letter grading system cannot be averaged then no grade can be below "B".
3. when in a school maintaining a numerical grade, must have at least a 3 in a 4, 3, 2, 1 point system or its equivalent.
4. student is included in a "Dean's List," "Honor Roll", or comparable list indicating scholastic achievement.

The applicable rating factors are shown in the Automobile Rating Section.

## G. Future Effective Date Discount

This discount is available to customers new to one of the Fireman's Fund Insurance Companies with an original effective date on or after 05/01/2012. The applicable rates will be reduced by the appropriate factor shown in the rate pages if the following criteria are satisfied:

- A.** The initial quote for the new policy is completed 7 or more days before the policy effective date at New Business.
- B.** The policyholder has prior insurance with no lapse in coverage at New Business. A policyholder will be considered to have a lapse at New Business if there is a lapse of 1 day or more between the expiration date of the prior policy and the New Business effective date of the new business policy.

Note: Military personnel returning from deployment overseas who had no need for liability insurance coverage while deployed will be defined to have had no lapse at new business if:

1. they had liability insurance coverage prior to deployment, and
2. this coverage was either still in force or expired within 30 days of the date of deployment, and
3. they have applied for insurance within 30 days of the date of their return to the United States.

The discount will apply only to the policy periods commencing within the first 36 months of the policy effective date.

## Rule 20. MODEL YEAR RATING

**A. Model Year Defined**

The model year of an auto is used in rating physical damage coverage on an actual cash value basis.

The model year of the auto is the year assigned by the auto manufacturer. The model year of rebuilt or structurally altered autos is determined by the model year of the chassis.

**B. Rating of Model Years Not Shown on Rate Pages**

1. **1990 and Later Model Years:** Refer to the Miscellaneous Rating Factors section and apply the model year, symbol and coverage factor to the earliest model year \$500 deductible rate displayed in the Rate Section to obtain the actual cash value premium.
2. **1989 and Earlier Model Years:**
  - a. Refer to the Miscellaneous Rating Factors section and apply the earliest model year, symbol and coverage factor to the earliest model year \$500 deductible rate for the same symbol-displayed in the Rate Section to obtain the actual cash value premium.
  - b. Apply the appropriate symbol factor shown below to the premium obtained in 2.a.:

Comprehensive				Collision			
Symbol	Factor	Symbol	Factor	Symbol	Factor	Symbol	Factor
1	.24	10	.68	1	.29	10	.71
2	.28	11	.77	2	.32	11	.80
3	.32	12	.88	3	.36	12	.89
4	.36	13	1.00	4	.41	13	1.00
5	.41	14	1.14	5	.46	14	1.12
6	.46	15	1.29	6	.51	15	1.25
7	.53	16	1.47	7	.57	16	1.40
8	.60	17	1.67	8	.64	17	1.57

**Rule 21. RESERVED FOR FUTURE USE**
**Rule 22. NON-SYMBOLLED VEHICLES AND RATING VEHICLES FOR WHICH SYMBOLS ARE NOT SHOWN ON THE RATE PAGES**
**A. Non-Symbolled Vehicles**

1. For rating of newly announced models for which no symbol is shown, use the symbol of the latest corresponding model which is shown until announcement is made.
2. For rating of other vehicles which have no prior corresponding model, determine the appropriate symbol based on the FOB List Price or Purchase Price, whichever is higher, from the following table.

Symbol	Model Years 1980 & Prior	Model Years 1981-1989	Model Years 1990 & Subsequent
1	0- 1600	0- 1600	0- 6500
2	1601- 2100	1601- 2100	6501- 8000
3	2101- 2750	2101- 2750	8001- 9000
4	2751- 3700	2751- 3700	9001-10000
5	3701- 5000	3701- 5000	10001-11250
6	5001- 6500	5001- 6500	11251-12500
7	6501- 8000	6501- 8000	12501-13750
8	8001-10000	8001-10000	13751-15000
10	10001-12500	10001-12500	15001-16250
11	12501-15000	12501-15000	16251-17500
12	15001-17500	15001-17500	17501-18750
13	17501-20000	17501-20000	18751-20000
14	20001 & above	20001-24000	20001-22000
15		24001-28000	22001-24000



16	28001-33000	24001-26000
17	33001-39000	26001-28000
18	39001-46000	28001-30000
19	46001-55000	30001-33000
20	55001-65000	33001-36000
21	65001 & above	36001-40000
22		40001-45000
23		45001-50000
24		50001-60000
25		60001-70000
26		70001-80000
27		80001 & above

3. Stated or Agreed Amount

If an automobile is appraised for stated or agreed amount coverage, the appraised value must be used to determine the symbol.

For model years 1980 and prior, with values of \$20,001 and above, the auto must be rated on a Stated Amount Basis in accordance with Rule 41. The insurer has the option to waive the requirement of obtaining an appraisal as required under Rule 41.

4. Equipment: Vans and Pick-ups

Except with respect to the coverage provided under Rule 47 for custom furnishings or custom equipment, the cost of any equipment installed in or upon a pick-up or van shall be added to the FOB List Price, Purchase Price or Appraisal Value in determining the applicable symbol.

**B. Rating Vehicles with Symbols 18 and Above**

For model years 1981 and after, to determine the actual cash value premium for vehicle symbols 18 and above, apply the following factors to the premium shown for Symbol 17 and the applicable territory, class, and model year:

Symbol	Model Year 1989& Prior	Model Year 1990 & Subsequent
18	1.15	1.08
19	1.30	1.15
20	1.45	1.25
21	1.60	1.35
22		1.45
23		1.55
24		1.70
25		1.85
26		2.00
27		*

\* Determine the actual cash value premium for Symbol 27 vehicles by:

Increase the factor for Symbol 26 by +.15 for each \$10,000 or portion of \$10,000 above \$80,000 of the FOB List Price or Purchase Price, whichever is higher.

**RULE 23. RESERVED FOR FUTURE USE**

**RULE 24. RESERVED FOR FUTURE USE**

**RULE 25. VEHICLE SERIES RATING**



Vehicle Series Rating (VSR) is a program applied by the Insurance Services Office (ISO) to adjust the Price New Symbols of vehicles to increase or decrease the symbol due to loss experience reflecting crash damage, ease of repair, cost of repair parts, and theft for the particular vehicle, resulting in the Rating Symbol. The Rating Symbol is used to determine a vehicle's premium for Collision, Limited Collision and Comprehensive coverage.

The VSR program reviews the symbol assignments for all vehicle series three times: when the model year is introduced and in each of the next two annual VSR review years. The symbol for a particular series may be up-symbolled, down-symbolled, or may remain the same.

Reassignment of symbols shall be effective with 2006 and subsequent model year vehicles and may only be applied at policy issuance or renewal.

**RULE 26.        RESERVED FOR FUTURE USE**

## SECTION II - PRIVATE PASSENGER AUTOMOBILES

### **RULE 27. PRIVATE PASSENGER DEFINITION**

- A. A motor vehicle of the private passenger or station wagon type that is owned or leased under contract for a continuous period of at least twelve months by one or more individuals, excluding (1) partnerships, (2) corporations, (3) unincorporated business associations, and (4) other legal business entities with a federal employer identification number, and is not used as a public or livery conveyance nor rented to others. A vehicle which meets the conditions of Rule 31, regarding the transportation of fellow employees, students or others for consideration, is included in this definition, provided such vehicle is not registered for carrying passengers for hire.
- B. A motor vehicle that is a pick-up or van, that is owned or leased under contract for a continuous period of at least 12 months by one or more individuals, excluding (1) partnerships, (2) corporations, (3) unincorporated business associations, and (4) other legal business entities with a federal employer identification number, and
  - 1. has a gross vehicle weight rating of less than 10,000 pounds or has a rating symbol assigned to it by the Insurance Services Office (ISO), and
  - 2. is not used for the delivery or transportation of goods or materials unless such use is incidental to the insured's business of installing, maintaining or repairing furnishings or equipment.
- C. Gross Vehicle Weight Rating means the value specified by the manufacturer as the loaded weight of a single vehicle.
- D. At the option of the company, an eligible vehicle under this rule whose title has been transferred to a trust may be written under the Massachusetts Automobile Insurance Policy, subject to the following requirements: the grantor of the trust must be an individual or lawfully married individuals residing in the same household, and must be the only insured(s) named in Item 1 of the Coverage Selections Page. All vehicle(s) insured under the policy must be owned by the trust. A vehicle owned by a trust in which the grantor is a partnership or corporation must be written under a commercial auto policy.

If a motor vehicle is leased as described in the foregoing paragraphs, and the lessee is obtaining the insurance, the policy must be issued to the lessee as named insured and Endorsement M-0070-S, "Coverage For Anyone Renting An Auto To You," must be attached to the policy.

### **RULE 28. PRIVATE PASSENGER CLASSIFICATIONS**

#### **A. Operator Classes**

- 10 Experienced Operator.** The operator has been licensed at least six years and is under the age of 65 and the automobile is not used in the occupation, profession or business of the insured.
- 15 Experienced Operator - age sixty-five or more.** The operator has been licensed at least six years and is sixty-five years of age or more and the automobile is not used in the occupation, profession or business of the insured.
- 17 Inexperienced Principal Operator - licensed three or more years.** The operator of the automobile has been licensed at least three years and less than six years and is the principal operator of the automobile.
- 18 Inexperienced Occasional Operator - licensed three or more years.** The operator has been licensed at least three years and less than six years and is not the principal operator of the automobile.
- 20 Inexperienced Principal Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.

- 21 Inexperienced Occasional Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is not the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 25 Inexperienced Principal Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has completed a Satisfactory Driver Training Program.
- 26 Inexperienced Occasional Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, has completed a Satisfactory Driver Training Program, and is not the principal operator of the automobile.
- 30 Business Use.** The operator has been licensed at least six years and the automobile is used in the occupation, profession, or business of the insured. Going to or from the principal place of the occupation, profession or business of the insured is not considered business use.

## B. Operators

All operators of the insured automobiles must be listed on the Coverage Selections Page of the Policy. An operator is a person who has an operator's license, but does not include a person who has only a learner's permit.

### 1. Assignment of Operators to Automobiles

- a. Each operator listed on the policy shall be assigned to an automobile on the policy based on the operator's class and merit rating code in a manner which produces the highest Combined Premium (the sum of the premium for Parts 1, 2, 4, 5, 7, 8, and 9 for the operator's class and the operator's merit rating code) for each automobile. The operators shall be assigned in order of the highest Combined Premium applied to the automobile with highest Base Premium (the automobile's Class 10 premium for Parts 1, 2, 4, 5, 7, 8, and 9) until all operators are assigned to an automobile, except that:
- i. If an inexperienced operator is the principal operator of a specific automobile, the automobile shall be rated with the appropriate inexperienced principal operator class and merit rating code of that operator;
  - ii. If an operator age 65 or over is the principal operator of a specific automobile and all operators listed on the policy have been licensed at least six years, the automobile shall be rated as Class 15 and that operator's merit rating code shall be applied. However, if more than one listed operator is age 65 or over, Class 15 and the merit rating code of the Class 15 operators shall be applied in the manner which produces the highest Combined Premium.
  - iii. If an operator's class and merit rating code are rated on an automobile covered by another Massachusetts private passenger insurance policy, that operator shall be deferred from rating on the policy (Deferred Operator). If all operators listed on a policy are Deferred Operators, the operator producing the lowest Combined Premium shall be assigned to the automobile(s).
  - iv. If only one operator is listed on the policy, all automobiles on the policy will be assigned the same principal operator classification and merit rating code.
  - v. If each listed operator has been used in rating an automobile on the policy, any remaining automobiles shall be assigned the operator class and merit rating code which produces the lowest Combined Premium, unless the automobile is subject to rating as Class 30.
  - vi. If more than one operator is listed on the policy, an operator cannot be assigned as the principal operator of more than one automobile on the policy until the other operators (except Deferred Operators) are assigned to an automobile.
- b. The assignment of operators to automobiles applies regardless of the number of policies or insurers involved.

- c. An inexperienced operator in active military service with the Armed Forces of the United States of America shall not be considered an operator of the automobile unless such individual customarily operates the automobile.
- d. Private passenger automobiles owned by clergy are to be classified as Class 10 or 15 unless (a) Class 30 is required due to business use other than in connection with church use or (b) an inexperienced operator is listed on the policy.

## **2. Excluded Operator**

If an operator who is a member of the household is to be excluded in rating a particular automobile to produce a lower premium charge, the policyholder must submit a signed statement that such operator does not and will not operate the automobile to be insured. The signed statement must be on the Operator Exclusion Form, M-0106-S.

If any operator excluded as a result of such signed statement operates the automobile, the appropriate operator classification premium for the full policy period may be charged unless a collision or limited collision claim has been denied in accordance with the provisions of the policy because the excluded operator was driving the automobile at the time of the accident.

## **3. Driving Experience**

An operator new to Massachusetts must provide evidence of licensure from the state or country where the operator was previously licensed in order to assign the correct operator classification under this rule. If electronically available, the company will be responsible for obtaining the motor vehicle operator report from the other state or country. If necessary, a certified English translation may be required. No operator shall be assigned to Class 10 unless the operator has six or more years of driving experience.

The classification assigned to the operator is based on the number of years licensed in the other state or country and the completion of driver training, as established by the evidence of licensure. If no evidence of prior licensure is available, the operator may be assigned to Class 20 (inexperienced principal operator, licensed less than three years, no driver training) or Class 21 (inexperienced occasional operator, licensed less than three years, no driver training). The Massachusetts driving experience will be used thereafter to assign the operator classification.

## **4. Operator Use**

Operators will be classified by the amount of use of an insured automobile:

- Principal Operator – a person who has an operator's license and operates the insured automobile more than any other listed operator as determined by the percentage of use of the automobile.
- Occasional Operator – a person who has an operator's license and operates the insured automobile less than the principal operator.

## **C. Classification Changes**

Classification of each automobile shall be determined by the facts existing as of the effective date of the policy. Premium adjustments shall be made on a pro rata basis if changes occur during the policy period.

## **D. Satisfactory Driver Training Program**

1. Completion and receipt of a certificate under the Massachusetts Driver Education Program prescribed by the Registrar of Motor Vehicles, or
2. Satisfactory evidence (certificate signed by school officials) that such operators have successfully completed a driver education course in a state other than Massachusetts meeting the following standards:

- a. The course had the official approval of the State Department of Education or other responsible state agency, and was conducted by:
  - (1) a recognized secondary school, college or university, or
  - (2) other school approved and supervised by the State Department of Education or other responsible state agency.
- b. The course was conducted by instructors certified by the State Department of Education or other responsible state agency.
- c. The course was composed of a minimum of thirty clock hours for classroom instruction, plus a minimum of twelve clock hours per student in the practice driving phase.

**RULE 29. RESERVED FOR FUTURE USE****RULE 30. PERSONAL INJURY PROTECTION - DEDUCTIBLE FORM**

The policyholder, at his or her option, may elect an amount to be deducted from the amounts otherwise due each person subject to the deduction, under the following conditions:

1. The option of electing a deductible shall be limited to individual insureds and shall apply only to private passenger vehicles as defined in this Section and motor homes owned by such insureds.
2. The eligible policyholder may select a deductible amount of \$100, \$250, \$500, \$1,000, \$2,000, \$4,000 or \$8,000.
3. The deductible applicable to the "Policyholder alone" is the only deductible available if the policyholder is the only member of the household, regardless of the number of vehicles which he owns. Lawfully married individuals having joint ownership and registration of a single motor vehicle which is the only vehicle in the household shall be considered to be an individual for purposes of paragraph 4 of this rule. In such a case the same form of deductible must apply to both of the lawfully married individuals.
4. Either the deductible for the policyholder "alone" or the policyholder and household members is available to a policyholder who has two or more members in his household and there is one motor vehicle in the household.
5. The deductible applicable to the policyholder and household members is the only deductible available for election if there are two or more members in the household, and also two or more motor vehicles insured for Personal Injury Protection by household members.
6. If two or more vehicles are insured under a single policy, the same deductible election shall apply to all vehicles insured under such a policy.
7. As used in this rule, the term "household members" means those persons living in the policyholder's household who are related to the policyholder by blood, marriage or adoption. This includes wards or foster children.

The Personal Injury Protection premium otherwise applicable shall be reduced by the dollar amount determined by applying the percentage shown on the Miscellaneous Rating Factors page to the manual premium.

**RULE 31. TRANSPORTATION OF FELLOW EMPLOYEES**

If a private passenger motor vehicle has a seating capacity of not more than eight passengers other than the driver and is used to carry fellow employees, students or others for a consideration, expressed or implied, to or from, or near their place of employment or education, the premium to be charged shall be the otherwise applicable private passenger automobile premium. For vehicles in excess of eight passengers, refer to the rule for van pools in the commercial automobile manual.

All policies subject to this rule must contain the endorsement titled Transportation of Fellow Employees, Students or Others, M-0004-S.

**RULE 32. PICK-UPS, VANS AND SIMILAR TYPE VEHICLES**

Except for those vehicles for which a specific symbol is shown in the Symbol and Identification Section, pick ups, vans and similar type vehicles which qualify as private passenger automobiles in accordance with Rule 27(B), refer to the Miscellaneous Motor Vehicles page for rating methods and factors.

To determine the private passenger symbol group for Parts 7, 8 and 9, refer to Rule 22.

Using FOB List or purchase price, whichever is greater, apply the age group factor for the model year and follow ACV rating procedure.

The premium is then calculated in accordance with Rule 11.

**RULE 33. TOWING AND LABOR**

The Towing and Labor coverage is available for Private Passenger Automobiles and Motorcycles only.

Refer to the Miscellaneous Rating Factors page for limits and premiums.

**RULE 34. TRAILERS DESIGNED FOR USE WITH PRIVATE PASSENGER MOTOR VEHICLES**

This equipment includes utility, boat, horse, camping, travel or similar type trailers designed to be pulled by a private passenger auto, motorcycle, pick-up truck, van or similar type vehicle, and if not a home, office, store, display or passenger trailer.

Refer to Rule 22 to determine rating symbol. Use the FOB List or purchase price, whichever is greater.

Refer to Miscellaneous Motor Vehicle page for rating methods and factors. No other premium adjustments, factors or discounts apply.

**RULES 35- 38. RESERVED FOR FUTURE USE**

## SECTION III - MISCELLANEOUS MOTOR VEHICLES AND COVERAGES

### **RULE 39. MOTOR HOMES/CAMPER BODIES**

#### **A. Motor Homes**

Any motor vehicle originally designed or permanently altered as living quarters (including cooking, dining, plumbing or refrigeration facilities), and which is used exclusively for human habitation or camping purposes. This also includes pick-up trucks used solely to transport a camper body or other similar living quarters. A motor vehicle designed primarily to transport property which has been temporarily altered or equipped for human habitation shall not be deemed to be a motor home.

Refer to the Miscellaneous Motor Vehicles page under Motor Homes for rating methods and factors; for Parts 7, 8 and 9, refer to Rule 22 to determine rating symbol.

The premium is then calculated in accordance with Rule 11.

#### **B. Camper Bodies**

A pick-up truck used to transport a portable camper body or similar living quarters, but which is also used for other purposes should be rated, both pick-up and camper body, according to the otherwise regular use of the vehicle.

For Collision (Part 7), Limited Collision (Part 8), or Comprehensive (Part 9) coverages, the vehicle should be rated as follows:

##### Symbolled Pick-Up

1. Obtain the rating symbol from the Symbol and Identification Section.
2. Match the rating symbol with the appropriate price table in Rule 22. The value of the vehicle is the higher price displayed in the price range for the corresponding symbol.
3. Develop the revised rating symbol by adding the value of the camper body to the value of the vehicle as determined in item 2.
4. Develop the premium according to the rating symbol determined in item 3 and the model year indicated in the rate section.

##### Non-Symbolled Pick-Up

1. Determine the FOB List Price or Purchase Price, whichever is higher, and include the value of the camper body.
2. Based on the price developed in item 1 refer to Rule 22 to determine the symbol.
3. Develop the premium according to the symbol determined in item 2 and the model year indicated in the rate section.

The premium is then calculated in accordance with Rule 11.

### **RULE 40. ANTIQUÉ MOTOR CARS AND ANTIQUÉ MOTORCYCLES**

Any motor vehicle or motorcycle registered as an antique or, if not registered, is over twenty-five years old which is maintained solely for use in exhibitions, club activities, parades and other functions of public interest and which is not used primarily for the transportation of passengers or goods over any way, provided that the application for registration thereof is accompanied by an affidavit upon a form provided by the Registrar which shall include a statement of the age and intended use of such motor vehicle.

The merit rating plan does not apply to vehicles described in this Rule.

Endorsement M-0047-S titled Antique Auto must be issued with the policy.



Refer to the Miscellaneous Motor Vehicles page for rating methods and factors.

The premium is subject to the Class 15 discount. No other premium adjustments, factors or discounts apply.

### **RULE 41. STATED AMOUNT COVERAGE**

#### **Parts 7, 8 and 9**

A motor vehicle shall be insured on a stated amount basis when it can be clearly established that its value will produce an inadequate premium charge using normal rating procedures. In such case, the vehicle shall be rated as follows:

1. An appraisal shall be made at the time of application to establish the current market value of the vehicle. The insurer shall verify the accuracy of the appraisal.
2. Using the appraised value and the vehicle's model year, refer to Rule 22 to determine the symbol group. Obtain the stated amount rate from the Stated Amount Rate Page in this manual. Apply the rate obtained from this Stated Amount Rate Page to each \$100 of the appraised valuation. For Symbol 17 and above use the Symbol 17 rate.

Endorsement MPY-0027-S titled Stated Amount Coverage must be issued with the policy. This rating procedure is not available for antique automobiles which qualify under the Antique Motor Car rule (Rule 40).

The premium is then calculated in accordance with Rule 11.

### **RULES 42-43. RESERVED FOR FUTURE USE**

### **RULE 44. MOTORCYCLES, MOTORSCOOTERS, MOPEDS AND SIMILAR MOTOR VEHICLES**

Experienced or inexperienced operator classifications apply to coverage parts 1, 2, 4, 5, 7 and 8. The experienced operator classification is applied when the operator of the motorcycle has been licensed to operate a motorcycle for at least six years. The inexperienced operator class is applied when the operator of the motorcycle has been licensed to operate a motorcycle for less than six years, or holds a motorcycle permit. When an inexperienced operator classification is applied to a motorcycle, the rates for parts 1, 2, 4, 5, 7 and 8 must be multiplied by a factor of 1.50. The merit rating code assigned to an operator on a private passenger automobile insurance policy, if available, shall be applied to the motorcycle policy in accordance with the merit rating plan (Rule 56). Operators assigned to motorcycles will also be considered for assignment to automobiles listed on the policy in accordance with Rule 28.

If there is more than one operator on a policy, the operators shall be assigned to the motorcycles in the order which produces the highest Combined Premium. The Combined Premium is the sum of the premium for Parts 1, 2, 4, 5, 7, 8 and 9 for the operator's classification, including the 25% discount for operators age 65 and over, and the operator's merit rating code. Any motorcycles remaining after assignment of all operators shall be assigned the classification merit rating code producing the lowest Combined Premium for the listed operators. If an inexperienced operator is the only listed operator of the motorcycle on the policy, all motorcycles shall be assigned an inexperienced operator classification.

Personal Injury Protection coverage for any operator or occupant of a motorcycle is excluded under the policy. The Personal Injury Protection premium in the rate pages must be charged for all motorcycles subject to the Compulsory Law. If Optional Bodily Injury to Others (Part 5) is purchased with guest occupants excluded, Endorsement M-0002-S titled "Guest Occupants Exclusion" must be issued with the policy.

The term "Motorcycle" shall include any motor vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground, including any bicycle with a motor or driving wheel attached, except a tractor, a motorized lawnmower, a motor vehicle designed for the carrying of golf clubs and not more than four persons, an industrial three wheel truck, or a motor vehicle on which the operator and passengers ride within an enclosed cab.



The multi-car discount does not apply to any motorcycle.

Motorcycles shall be classified on the basis of cubic centimeter displacement in accordance with the following groups and written at the rate shown on the Rate Sheets.

Group A - Cubic Centimeter Engine Displacement of 100 or less.

Group B - Cubic Centimeter Engine Displacement of 101-350.

Group C - Cubic Centimeter Engine Displacement of 351-650

Group D - Cubic Centimeter Engine Displacement over 650

**Fire** - See rate section.

**Theft** - See rate section.

**Comprehensive** - See rate section.

**Collision** - See rate section.

**Limited Collision** - See rate section.

**Substitute Transportation** – See Miscellaneous Rating Factors page.

**Towing and Labor** – See Miscellaneous Rating Factors page.

Motorcycles subject to the compulsory law and classified in accordance with this Rule, shall be eligible for a 25% discount if the experienced operator has attained age 65, or older. The discount applies to all Parts.

Motorcycles subject to the compulsory law and classified in accordance with this Rule shall be eligible for a 10% discount if the principal operator has completed an approved motorcycle rider training program. The discount applies to Parts 1, 2, 3, 4, 5, 6, 7, 8 and 12. Refer to the Miscellaneous Motor Vehicles Page for a list of approved sites.

Motorcycles subject to the compulsory law and classified in accordance with this Rule shall be eligible for a 20% discount if the motorcycle is equipped with a Vehicle Recovery System which falls under Category IV of the Anti-Theft Device Standards and Discounts, as defined in Rule 54. This discount is applicable to Comprehensive coverage or other combinations of specified perils which afford Theft coverage.

Coverage for vehicles rated in accordance with this Rule and not subject to the compulsory law shall be provided on a Personal Auto Policy without a Personal Injury Protection endorsement.

#### **RULE 45. AGREED AMOUNT COVERAGE - COMPREHENSIVE**

At the option of the policyholder, Comprehensive (Part 9) coverage may be written to provide that in determining the actual cash value of a motor vehicle to be insured, no deduction shall be made to reduce the value of the vehicle to less than the agreed value in the event of loss. "Agreed value" means the value of the vehicle as determined by agreement between the insurer and the policyholder. As a condition to this coverage, the insurer shall be permitted to inspect the vehicle at the time of application. The vehicle shall be rated as follows:

1. An appraisal is to be made to establish the current market value of the vehicle. The cost of appraisal shall be borne by the policyholder.
2. Refer to Rule 22 to determine the appraised value symbol group.
3. Obtain the stated amount rate from the Rate Page Section of the Manual.

4. Apply the rate obtained to each \$100 of valuation.
5. Multiply the premium obtained in (4) above by the factor of 110%.

Endorsement MPY-0034-S titled "Agreed Amount Coverage - Comprehensive" must be issued with the policy.

This rating procedure is not available for antique automobiles and antique motorcycles as defined in Rule 40.

The premium is then calculated in accordance with Rule 11.

### **RULE 46. EXCESS ELECTRONIC EQUIPMENT COVERAGE**

Coverage for loss or damage to any electronic equipment that reproduces, receives or transmits audio, visual or data signals, is excluded under the Massachusetts Automobile Insurance Policy, unless the electronic equipment has been permanently installed in the auto in locations used by the auto manufacturer for installation of such equipment. However, electronic equipment which is permanently installed in the auto in locations not used by the auto manufacturer for installation of such equipment is covered up to \$1,000. Coverage in excess of \$1,000 is available, as follows:

1. Determine the value of the equipment, including installation, in excess of \$1,000
2. The rate charged is a flat rate and is not subject to any discount, other than that applicable to Class 15.
3. Endorsement MPY-0041-S, "Excess Electronic Equipment Coverage," must be issued with the policy.

Refer to the Miscellaneous Rating Factors page for premium charges.

No other rate adjustment, factor or discount apply.

### **RULE 47. CUSTOMIZED VANS AND PICK-UPS**

Coverage for loss or damage to customizing equipment located in or upon a pick-up or van is excluded under the Massachusetts Automobile Insurance Policy. Coverage for customizing equipment is available for any pick-up or van insured under the policy for Collision (Part 7), Limited Collision (Part 8), or Comprehensive (Part 9) by attaching Endorsement MPY-0037-S, Coverage for Customized Vans and Pick-Ups, and adding the value of the customized equipment to the value of the vehicle.

The vehicle should be rated as follows:

#### **A. Symbolled Pick-Up or Van**

1. Obtain the rating symbol from the Symbol and Identification Section.
2. Match the rating symbol with the appropriate price table in Rule 22. The value of the vehicle is the higher price displayed in the price range for the corresponding symbol.
3. Develop the revised rating symbol by adding the value of the customized equipment to the value of the vehicle as determined in Item 2.
4. Develop the premium according to the rating symbol determined in Item 3 and the model year indicated in the rate section.

#### **B. Non-Symbolled Pick-Up or Van**

1. Determine the FOB List Price or Purchase Price, whichever is higher, and include the value of the customized equipment.
2. Based on the price developed in Item 1, refer to Rule 22 to determine the symbol.
3. Develop the premium according to the symbol determined in Item 2 and the model year indicated in the rate section.

The premium is then calculated in accordance with Rule 11.

#### **RULE 48. ORIGINAL EQUIPMENT MANUFACTURER PARTS COVERAGE**

Coverage Parts 7, 8, 9

Coverage for payment of an amount necessary to replace damaged crash parts of an auto with parts manufactured or licensed by the original equipment manufacturer is provided for autos with less than 20,000 miles. At the option of the company, this coverage may be extended. Crash parts are defined to be sheet metal or plastic parts that constitute the visible exterior of the vehicle excluding glass and mechanical parts.

Eligible autos are private passenger automobiles as defined in Rule 27 which are insured for Collision, Limited Collision or Comprehensive coverage, and which are up to 10 model years old. For purposes of this rule, July 1 shall be considered the date at which model years age. For example, a model year 2007 vehicle will be new on July 1, 2006. It will be one model year old on July 1, 2007, two model years old on July 1, 2008, etc. It will be 10 model years old on July 1, 2016.

Refer to the Miscellaneous Rating Factors section for the rating factor.

Endorsement MPY-0040-S titled Original Equipment Manufacturer Parts Coverage must be issued with the policy.

Refer to Rule 11 to calculate premium.

### **SECTION IV - NON-OWNED AUTOMOBILES**

#### **RULE 49. NAMED NON-OWNER POLICY**

A policy may be written, at the option of the company, to insure a named individual who does not own an auto but drives borrowed or rented autos. The policy may also provide coverage for family members. Use Personal Auto Policy PP 00 01 and the Named Non-Owner Coverage Endorsement PP 03 22.

##### **Bodily Injury Liability, Property Damage Liability, Medical Payments**

If the exclusions for vehicles furnished or available for regular use apply:

Charge 40 % of the applicable Parts 1, 4, 5 and 6 premiums to provide coverage for a named individual.

Charge 60% of the applicable Parts 1, 4, 5 and 6 premiums to provide coverage for a named individual and family members.

If the exclusions for vehicles furnished or available for regular use do not apply:

Charge 60% of the applicable Parts 1, 4, 5 and 6 premiums to provide coverage for a named individual.

Charge 80% of the applicable Parts 1, 4, 5 and 6 premiums to provide coverage for a named individual and family members

##### **Uninsured Motorists and Underinsured Motorists**

Charge the applicable Part 3 and Part 12 private passenger premiums.

Only the Class 15 discount and merit rating adjustment apply in the calculation of the premium under Rule 11.

#### **RULE 50. USE OF OTHER AUTOMOBILES**

A policy may be extended to provide coverage for an individual who owns an auto but also drives borrowed or rented autos. The policy may also be extended to provide coverage for household members.

Endorsement M-0051-S, Use of Other Automobiles-Vehicles Furnished or Available For Regular Use may be used to cover vehicles furnished or available for regular use except vehicles furnished for use as public or livery conveyances.

Endorsement M-0052-S, Use of Other Automobiles-Vehicles Furnished or Available For Use as Public or Livery Conveyances, may be used to cover non-owned public or livery conveyances. Primary insurance must be in effect for these vehicles.

The following rates apply for Damage To Someone Else's Property (Part 4), Optional Bodily Injury To Others (Part 5), and Medical Payments (Part 6):

1. Vehicles Furnished or Available For Regular Use Except Public or Livery Conveyances

- A. No Primary Insurance - 90% of the applicable private passenger premium for an individual and 100% for individual and household members.
- B. Primary Insurance – 12% of the applicable private passenger premium for an individual and 13% for individual and household members.
- C. If the named individual is in the business of selling, servicing, repairing or parking autos and there is no insurance afforded on a primary basis, the applicable exclusion may be eliminated and the rate to be changed shall be 100% of the applicable private passenger premium.

2. Vehicles Furnished or Available For Use As Public or Livery Conveyances

50% of the applicable private passenger premium for an individual and 60% for an individual and household members.

Physical Damage Coverages

A policy providing Collision (Part 7), Limited Collision (Part 8) or Comprehensive (Part 9) coverages may be extended to provide these coverages for non-owned private passenger autos furnished or available for regular use to the named individual other than for use as a public or livery conveyance.

The premium for these coverages shall be the applicable private passenger class, symbol 5 and the latest model year shown in the manual for the territory in which the named individual resides.

Only the Class 15 discount and merit rating adjustment apply in the calculation of the premium under rule 11.

**RULES 51 - 53. RESERVED FOR FUTURE USE**

**SECTION V - SUPPLEMENTAL INFORMATION**

**RULE 54. ANTI-THEFT DEVICE STANDARDS AND DISCOUNTS**

**1. Purpose and Scope**

This rule governs the reduction in premium charges for private passenger motor vehicles and certain commercial vehicles equipped with anti-theft devices and vehicle recovery systems.

**2. Eligibility**

This rule is applicable to Private Passenger Automobiles as defined in Private Passenger Definition (Rule 27) in this manual.

**3. Coverages**

The discount is applicable to the Comprehensive coverage or other combination of specified perils which afford Theft coverage.

**4. Discounts Applicable**

The following discounts are to be applied:

<b>Vehicles Qualifying for</b>	<b>Discount</b>
Category I	5%
Category II	15%
Category III	20%
Category IV	20%
Category IV, plus Category I	25%
Category IV, plus Category II	30%
Category IV, plus Category III	35%
Category V	25%
Category V, plus Category I	28%
Category V, plus Category II	32%
Category V, plus Category III	36%

**5. Definitions**

As used in this regulation, the following words shall mean:

“Passive device or system” describes an anti-theft device or system which is activated automatically when the operator turns the ignition key to the off position.

“Alarm,” except where otherwise specified, means horn, bell, siren or other sounding device which is audible at 300 feet.

“Tubular” describes a type of lock whose key is cylindrically shaped and which has at least 50,000 combinations.

“Electronic lock or keyless device” is an electronic coding device that has more than 10,000 combinations. The combination used to unlock the device can be entered through a keyboard or similar data entry device or by means of a remote control device.

**6. General**

Stickers identifying the particular anti-theft system installed may not be attached to the car unless specifically permitted in these rules.

If two or more qualifying devices are attached to a vehicle, the total discount shall be that applicable to the device meeting standards for the highest discount. If one of the qualifying devices is a Category IV device, the applicable discount shall be calculated as stated in Item 4. Discounts Applicable.

Insurers may require reasonable evidence of installation of any anti-theft device but may not refuse to grant a discount to a qualifying device solely on the grounds that it was installed by the owner of the auto.

## **Categories Defined**

### **Category I**

Devices qualifying in this category receive 5% discounts.

#### **(a) Ignition or Starter Cut-Off Switch in Combination with Flush or Tapered Door Lock Buttons**

This device is an ignition cut-off switch (sometimes called a "kill switch") or a starter cut-off switch which is inserted into the ignition wiring of an auto. The switch is tripped upon leaving the auto and must be switched back in order to start the auto.

The switch must be installed so that it is not visible from the driver's position when the driver is seated. In addition, the vehicle must contain flush or tapered door lock buttons on all doors.

A sticker may identify the presence of this system.

#### **(b) Ignition or Starter Cut-Off Switches**

Such ignition or starter cut-off switches either must be designed so that the wires leading from the switch to the engine compartment are protected by armored tubing or cable, or operate passively.

#### **(c) Non-Passive, Externally-Operated Alarm**

This is a non-passive warning alarm which is installed in an auto and can be set to go off if any door, the trunk or the hood is opened without first turning off the alarm by use of a key inserted in a lock mounted on the outside of the auto.

#### **(d) Steering Column Armored Collar**

This is a device similar to an oversized padlock which clamps on the steering column over the ignition lock and prevents access to it. This device, upon being locked, prevents the vehicle from being started, or if the auto is hot-wired and started, the device prevents it from being steered. No part of the device, when not in operation, is attached to the steering column. A sticker may identify the presence of this device.

#### **(e) Steering Wheel Removal Lock**

This device prevents steering movement of the vehicle from a parked position. This is a high security steering wheel lock assembly manufactured of hardened steel components, which allows removal of the steering wheel from the vehicle. The assembly is permanently attached to the vehicle's steering column and is located between the column and the steering wheel. Operation of the lock is controlled by a high security configured key. Unlocking the assembly will permit removal of the steering wheel from the vehicle. A fitted security plate is then inserted onto the lock assembly in place of the steering wheel and the lock's security key is then removed. Re-attachment of the steering wheel onto the lock assembly requires use of the security key to first remove the fitted security plate and then to attach the steering wheel. The security key can be removed from the lock assembly only after either the security plate or steering wheel have been locked into place.

### **Category II**

Devices qualifying in this category receive 15% discounts.

#### **(a) Non-Passive Fuel Cut-Off Device**

This is a shut-off device which operates to block the fuel line when a switch is tripped or when the device is engaged by a key. The switch to open or shut off the fuel line must be well hidden from view.

#### **(b) Non-Passive Steering Wheel Lock**

This device prevents the steering wheel from turning. A steel collar and barrel, into which the shackle of a lock fits, are permanently attached to the steering post. The shackle, made of case-hardened alloy steel, fits over the steering wheel spoke and into the barrel. A tubular key operates the lock. The collar, barrel and shackle must resist cutting with a file. A sticker may identify the presence of this system.

**(c) Armored Cable Hood Lock and Ignition Cut-Off Switch**

This system is one which meets all the criteria of Section (5.4)(f)(1) except paragraph (a). Armor must be similar to that used in outdoor telephone booths; it must extend through firewall and be secured so as to prevent retraction.

**(d) Window Identification System**

A window identification is one in which identification letters and/or numbers are etched by sandblasting, chemical process or other permanent marking into all the windows of the vehicle other than the small vent window.

Provision must be made for immediate telephone identification of the owner of the vehicle any time of day or night.

A sticker may identify the presence of this identification system.

**(e) Emergency Handbrake Lock**

This device prevents the release of the emergency handbrake. The lock replaces the handbrake grip, and is permanently attached to the handbrake lever. The lock encasement must be all metal construction. The lock is released by entering a preset digital combination. A sticker may identify the presence of this device.

**(f) Transmission Lock**

The device prevents the vehicle from moving from a parked position by locking the gear shift. A steel encased lock is permanently attached to the floor of the vehicle by a steel stand. The shackle, made of case hardened alloy steel, fits around the gear shift and is inserted into the lock. The device must have a high security locking system with at least 50,000 combinations. The lock, shackle and stand must resist cutting and filing.

A sticker may identify this system.

## Category III

Devices qualifying in this category receive 20% discounts.

**(a) Passive Alarm System** - This is an alarm system meeting the following criteria:

- (1) Ignition must be cut off automatically, or starter must be disabled automatically.
- (2) Alarm must be triggered by entry of doors, hood or trunk.
- (3) Hood must not open unless unlocked from inside the vehicle by a key, or by an electronic keyless device.
- (4) Alarm must sound for no more than eight minutes, and upon ceasing to sound, must reset itself.
- (5) Alarm must not emit a pulsating, whooping, or yelping sound which would cause it to be mistaken for the modern police, fire or other emergency vehicle siren.
- (6) Alarm must be installed in the engine compartment so as to be inaccessible without opening the hood.
- (7) The system must be engaged passively by turning the ignition key to the off position. To disarm the system a tubular lock or electronic keyless device must be used. The maximum time delay permitted to disarm the system after re-entry is twenty seconds.

**(b) Passive Fuel Cut-Off Device**



This fuel cut-off device is engaged by turning the ignition key to the off position. The driver must trip a switch to open the fuel line each time the car is started. This device must meet the following criteria:

- (1) The fuel line must be blocked when the power is off.
- (2) The switch to open the fuel line must be well hidden from view, but accessible to the driver from the driver's seat. In the alternative a tubular key or an electronic keyless device may be used.
- (3) A parking/service attendant override switch may be provided. It must be well hidden from view. It must not be accessible from the passenger compartment; alternatively, if the override switch is accessible from the passenger compartment, a warning buzzer must sound (or the operator must be distracted in some other way) while the engine is running and the override switch engaged. If the buzzer is disconnected, it must result in disconnection of the entire anti-theft system.
- (4) Any under-the-dash wiring installed in connection with this device must blend in color with factory-installed wiring.

**(c) Armored Ignition Cut-Off Switch**

This device is a kill switch designed to resist tampering. To prevent hot-wiring of the auto, a protective cap is attached to the coil or starter solenoid. Such devices must meet the following criteria:

- (1) Armored cable must run from a separate key to the coil, starter solenoid, or other engine component. Such cable must be similar to that used in outdoor telephone booths, collapse when cut, and preclude quick reconnection of the cut wire inside; alternatively, some other effective means of preventing defeat of the system by cutting the armored cable must be employed.
- (2) The device must prevent hot-wiring of the car.
- (3) A separate lock must be of tubular type and must be installed inside the auto so as to facilitate use by the driver; alternatively, an electronic keyless device may be used in lieu of a lock if it does not take significantly longer to engage the device than it takes to remove a key from a lock, and use of the system is otherwise facilitated.

**(d) Passive Multi-Component Cut-Off Switch**

This device is a kill switch activated when the ignition key is turned to the off position. It is designed to prevent hot-wiring of the auto. Such device must meet the following criteria:

- (1) The primary wire to the ignition coil must be disconnected.
- (2) The device must disconnect the starter.
- (3) One or more wires to the electronic ignition system, or to the points and condenser must be disconnected and grounded to the chassis.
- (4) The wiring must blend with factory-installed wiring, and the disconnecting/grounding wires must be routed to random points in the electrical system away from the components they affect.
- (5) The control module, if separate from the electronic locking mechanism, must be hidden in the engine compartment or other part of the car so that it is not easily detectable.
- (6) In order to start the car, a lock or electronic device must be used to deactivate the system. The lock must be of tubular type and must be installed inside the auto so as to facilitate use by the driver; alternatively, an electronic keyless device may be used in lieu of a lock if it does not take significantly longer to engage the device than it takes to remove a key from a lock, and use of the system is otherwise facilitated.

**(e) Passive Time Delay Ignition System**



This is a device which allows the car to start only if the operator waits a prescribed time, which must vary from device to device in a range of three to twenty seconds, before moving the ignition key from "On" to "Start". If the auto does not start, the operator must be required to wait at least ninety seconds before the device can be operated successfully on a subsequent try.

The device must be resistant to tampering; for example, if it is forcibly removed, reconnection of the electrical system must not be possible with a hot-wire device. Alternatively, the device must be installed with a hood lock operated by a tubular key.

### **(f) Armored Cable or Electrically Operated Hood Lock and Ignition Cut-Off Switch**

This is a supplemental hood lock operated from within the auto which also cuts off the ignition when engaged. Such devices must meet the following criteria:

#### **(1) Armored Cable Hood Lock**

- (a) The hood lock cable must be armored by case hardened solid steel tubing designed to resist cutting; tubing must extend through firewall and be secured so as to prevent retraction. Otherwise, an alarm meeting the criteria of Section (5.3)(a) must be installed.
- (b) The system must be engaged by a push button or other device which facilitates use. The push button or other device must be installed within reach of driver when seated.
- (c) No portion of the hood lock cable may be accessible so that it could be grasped from underneath the car; and, if accessible through the grillwork, armor must extend to the locking mechanism.

#### **(2) Electrically Operated Hood Lock**

- (a) The hood lock is electrically operated and functions so that it remains locked even if the wiring operating the hood lock is cut.
- (b) The system must be engaged passively by turning the ignition key to the off position. To disarm the system a separate key or electronic keyless device must be used.
- (c) If the hood lock can be reached through the grillwork or from underneath the car, the hood lock must be shielded or armored so that it cannot be manually operated. The locks controlling the devices must be of tubular type or operate electronically.

### **(g) Passive, Delayed Ignition Cut-Off System**

This electronic system disables the ignition circuit at a preset engine speed such that the engine cannot be restarted or hot-wired. Such device must meet these criteria:

- (1) The ignition must cut off automatically as soon as the engine reaches a speed in the range of 1,500 to 2,000 RPM.
- (2) The system must be automatically armed when the ignition key is turned to the off position.
- (3) A push button or other type of disarm switch must be well hidden from view. The wiring must blend with factory-installed wiring if placed under the dash. In the alternative, a tubular key or an electronic keyless device may be used.
- (4) An alarm or horn shall be actuated at the same time the ignition is disabled.
- (5) If a parking/service attendant switch is provided, a buzzer must sound all the time the engine is running. The switch must be hidden in a remote place.

### **(h) Passive Ignition Lock Protective system**

This is a case hardened steel, protective cap which fits over the ignition lock so as to prevent extraction of the ignition lock cylinder. The cap fastens to a steel collar which fits around the steering post and over the ignition lock. The ignition key fits through a slot in the cap.

A sticker may identify the presence of this system.

**(i) High Security Ignition Replacement Lock**

This is a high security, case hardened steering column ignition lock, conforming to NHTSA Standard No. 1141, which cannot be removed using a conventional slide hammer or lock puller equipment.

A sticker may identify the presence of this system.

**(j) Hydraulic Brake Lock**

This is a dash-mounted device which, when activated and pressurized with the brake pedal, maintains hydraulic pressure on the brakes at two or more of a vehicle's wheels so that the vehicle cannot be driven. The device must have a high security locking system with at least 50,000 combinations and a lock which cannot be pulled using a conventional slide hammer or lock puller equipment.

**(k) Chip Key**

This device allows only the correct ignition key(s) to start the engine. The system prevents the motor vehicle from being started unless the key to the ignition enables the correct signal. The three types of systems that qualify are:

- (i) Transponder immobilizer system: system must detect the proper transponder value from the chip in the key in order to start the engine.
- (ii) VATS/PASS Key system: system must detect the proper resistance value in the key in order to start the engine.
- (iii) Passlock system: system must detect the proper R-code within the ignition lock or ignition switch to start the engine. This system does not have a chip in the key. The key turns the Passlock cylinder which provides the R-code.

**Category IV**

Devices qualifying in this category receive 20% discounts.

**Vehicle Recovery System**

This is an electronic unit installed in a vehicle that is activated after that vehicle is stolen. When activated, the device provides information to law enforcement officials or another public or private entities regarding the vehicle's location. The system provides for the routine delivery of the information to the appropriate law enforcement organization to assist in the recovery of the vehicle.

**Category V**

Devices qualifying in this category receive 25% discounts.

**Vehicle Recovery System with Unauthorized Movement Notification**

This is an electronic unit installed in a vehicle that is activated after that vehicle is moved without authorization. When activated, the device provides information to law enforcement officials or another public or private entity regarding the vehicle's location. The system provides for the routine delivery of the information to the appropriate law enforcement organization to assist in the recovery of the vehicle. Additionally, the device must provide personalized notification to the owner of a vehicle (or his or her authorized user) in the event of a potentially unauthorized movement of the owner's vehicle. Personalized notification shall mean notification delivered directly to the owner or his or her authorized user via automated communication, which is available beyond the proximity of the vehicle itself, to one or more devices designated in advance by the owner or his or her authorized user, such as to the owner's home telephone, mobile phone, electronic mail service, or wireless text messaging service. If maintaining the system in effect requires the payment of a service fee, insureds must provide the insurer reasonable confirmation of the coverage.

**RULE 55. PRE-INSURANCE INSPECTION PROGRAM**

General Laws Chapter 90, section 113S, and the implementing regulations, 211 CMR 94.00, require the pre-insurance inspection of private passenger motor vehicles. The following is a summary of the requirements of the regulation.

**Eligibility**

Unless specifically exempted or waived, all private passenger motor vehicles and pick-ups or vans having a gross vehicle weight up to 8,000 pounds are required to be inspected by an insurer prior to the issuance of physical damage coverages by the insurer.

**Exemptions to Inspection Requirement**

An inspection shall not be required if:

1. The motor vehicle is a new, unused motor vehicle from a franchised automobile dealership where the insurer is provided with either: a copy of the bill of sale which contains a full description of the motor vehicle, including all options and accessories; or a copy of the RMV Form 1 provided by the Registry of Motor Vehicles, which establishes the transfer of ownership from the dealer to the customer and a copy of the window sticker or the dealer invoice showing the itemized options and equipment in addition to the total retail price of the vehicle.
2. The applicant has been insured for three years or longer, without interruption, under a motor vehicle liability policy or policies which include(s) physical damage coverage, issued by the insurer to which the application is submitted; or any applicant involuntarily transferred to another insurer due to the applicant's original insurer's withdrawal from the Commonwealth if the applicant otherwise qualifies under this regulation.
3. An inspection is waived by the insurer.
4. Any private passenger motor vehicle not owned by the applicant, which is used by the applicant, with the permission of the owner, as a temporary substitute due to breakdown, repair, servicing, loss or destruction of the applicant's own motor vehicle.
5. A motor vehicle which is leased less than six months, provided the insurer receives the lease or rental agreement containing a description of the leased motor vehicle, including its condition.
6. When requiring an inspection would cause a serious hardship to the insurer or the applicant and such hardship is documented in the applicant's policy record.
7. When the insurer has no inspection facility or authorized representative either in the city or town in which the motor vehicle is principally garaged or within five miles of said city or town.

**Waiver of Inspection**

An inspection may be waived if:

1. The motor vehicle is ten or more model years older for all policies issued or renewed during the current calendar year.  
  
Example: For policies issued or renewed during calendar year 2005, inspection of all 1995 and older model year vehicles may be waived.
2. A non-owned vehicle is insured under a policy providing physical damage coverage issued by an insurer which has inspected such motor vehicle in accordance with the provisions of this regulation.
3. A producer is transferring a book of business from one insurer to one or more insurers.
4. An individual applicant's coverage is being transferred by an independent insurance producer to a new insurer and said producer provides the new insurer with a copy of the inspection report completed on behalf of the previous insurer, provided the independent producer represents both insurers, and the insured vehicle was physically inspected by the previous insurer. However, if the new insurer does not receive a copy of the

inspection report sixty days prior to the first annual date, the insurer must, upon renewal of the physical damage insurance, require an inspection.

5. When a motor vehicle is insured for physical damage on the applicant's expiring Massachusetts Automobile Insurance Policy, or when a copy of a prior Pre-insurance Inspection is provided.
6. When the applicant has been a customer of the producer for at least three years under a Massachusetts Automobile insurance Policy which included physical damage coverage.

### **Deferral of Inspection**

An insurer may defer an inspection for ten calendar days (not including legal holidays and Sundays) following the effective date of coverage on new business and on additional or replacement vehicles to an existing policy, if an inspection at the time of the request for coverage would create a serious inconvenience for the applicant. Whenever an inspection is deferred, the Notice of Mandatory Pre-Insurance Inspection Requirement (Form B) or the Acknowledgment of Requirement for Pre-Insurance Inspection (Form D) must be used in accordance with the Regulation.

If an inspection is not conducted within the ten day deferral period, physical damage coverage is automatically suspended on the day following the ten day deferral period.

Coverage may be reinstated to be effective at the time of inspection or, in accordance with the Regulation, the Notice of Suspension of Physical Damage Coverage (Form C) must be used.

### **Inspection Procedures**

Inspections required or permitted shall be made by a designated authorized representative of the insurer at a time and place reasonably convenient to the applicant.

The inspection shall be recorded on the prescribed Motor Vehicle Pre-Insurance Inspection Report (Form A) and include appropriate photos as required under the Regulation.

The insurer must retain the original report and photographs for three years except as provided by the Regulation.

The insurers shall maintain an up-to-date list of all its authorized representatives and inspection sites.

### **RULE 56. MERIT RATING PLAN**

The merit rating plan is adapted from the 2006 Safe Driver Insurance Plan and additional information can be found in 211 CMR 134.00 and the administrative procedures of the Merit Rating Board.

### **Driving Record/Experience Period**

Each listed operator on a policy is assigned merit rating code based on the operator's driving record and reported to the company by the Merit Rating Board. The merit rating code reflects the number, type, and age of at-fault accidents and traffic violations during the policy experience period. The policy experience period is the six year period immediately preceding the effective date of the policy. At-fault accidents or traffic violations that occurred more than five years prior to the policy effective date are not considered in the determination of the merit rating code.

### **Operators New to Massachusetts**

If an application for insurance indicates that an operator new to Massachusetts was licensed outside of Massachusetts within the last six years or such operator is being added to an existing policy, the operator's policy experience period will begin as of the effective date of that policy until the company receives an authorized inquiry response from the Merit Rating Board indicating the operator's merit rating code.

If an operator's Motor Vehicle Report (MVR) is electronically available, the company will be responsible for obtaining it from the state or country where the operator was licensed. Driving history on MVRs obtained from more than one state or country will be combined by the company and considered as one report. An acceptable MVR must have three years or more driving history, unless the operator has been licensed less than three years. If there are no motor vehicle violations or at-fault accidents shown on the MVR, the company will submit a policy inquiry to the Merit Rating Board in compliance with its Administrative Procedures. An operator's MVR with motor vehicle violations or

at-fault accidents must be submitted to the Merit Rating Board. The Merit Rating Board will determine the operator's merit rating code.

If an operator's MVR is not electronically available, the policy experience period for the operator will begin as of the effective date of the policy until the company receives an authorized inquiry response from the Merit Rating Board with the operator's actual merit rating code. The operator may obtain an official driving record or a record from a previous insurer and submit it to the company. If the driving record is not in English, a translation certified as true and correct by the translator must be obtained by the operator and attached to the driving record submitted to the company. An acceptable driving record must have three or more years driving history, unless the operator has been licensed less than three years. If there are no motor vehicle violations or at-fault accidents shown on the operator's record, the company will submit a policy inquiry to the Merit Rating Board in compliance with its Administrative Procedures. An operator's record with motor vehicle violations or at-fault accidents will be submitted to the Merit Rating Board. The Merit Rating Board will determine the operator's merit rating code.

### Determination of Merit Rating Code

Points are assigned to an operator for each of the following at-fault accidents and traffic violations occurring during the five years immediately preceding the effective date of the policy:

Minor traffic law violation	2 points	Major at-fault accident	4 points
Minor at-fault accident	3 points	Major traffic law violation	5 points

An "at-fault" accident is one in which the company determines that the involved operator is more than 50% at fault. An at-fault accident is defined as minor only if it resulted in a claim payment for bodily injury liability, damage to someone else's property, collision or limited collision of at least \$500 and up to \$2,000. An at-fault accident is defined as major only if it resulted in a claim payment of more than \$2,000.

If the most recent at-fault accident or traffic violation occurred less than three years prior to the policy effective date, the operator's merit rating code will equal the sum of the points accumulated for at-fault accidents and traffic violations that occurred during the five years immediately preceding the effective date of the policy. If the most recent at-fault accident or traffic violation occurred more than three years prior to the policy effective date, and the number of at fault accidents or traffic violations in the past five years is three or less, the operator's merit rating code is equal to the sum of the points accumulated for at-fault accidents or traffic violations that occurred during the five years immediately preceding the effective date of the policy minus the total number of at-fault accidents or traffic violations that occurred during that same time period. In no event shall the points for any at-fault accident or traffic violation be reduced below zero.

Points are not assigned to a non-criminal minor motor vehicle traffic law violation if it is the first such violation.

If there are no at-fault accidents or traffic violations attributable to an operator during the six years immediately preceding the policy effective date, the operator's merit rating code is 99. If there are no at-fault accidents or traffic violations attributable to an operator during the five years immediately preceding the policy effective date, the operator's merit rating code is 98.

In determining the merit rating adjustment for motorcycles, the merit rating code for a motorcycle operator is the merit rating code otherwise determined unless the operator is classified as inexperienced under Rule 44 and the otherwise applicable merit rating code for the operator is 98 or 99. The motorcycle rating code will be determined as follows:

Number of Years Motorcycle Experience	Operator Merit Rating Code	Motorcycle Merit Rating Code
5 but less than 6	99	98
	98	98
<5	99	00
	98	00

### Calculation of the Merit Rating Adjustment

The merit rating adjustment is the last step in the rating process after all discounts and rating factors have been applied to the rate. The merit rating adjustment is determined by multiplying the otherwise applicable premium for Compulsory Bodily Injury (Part 1), PIP (Part 2), Property Damage (Part 4), Optional Bodily Injury to Others (Part 5) and Collision (Part 7) by the merit rating percentage identified below.

Calculation of Merit Rate  
Percentages to Apply to Otherwise Applicable Premiums

Merit Rating Code	<u>Experienced Operators</u> (Rate Class 10, 15 or 30)		<u>Inexperienced Operators</u> (All Other Rate Classes)	
	<u>Parts 1, 2, 4 and 5</u>	<u>Part 7</u>	<u>Parts 1, 2, 4, and 5</u>	<u>Part 7</u>
	99	-17.0%	-17.0%	NA
98	-7.0%	-7.0%	-7.0%	7.0%
0	0%	0%	0%	0%
1	15.0%	15.0%	7.5%	7.5%
2	30.0%	30.0%	15.0%	15.0%
3	45.0%	45.0%	22.5%	22.5%
4	60.0%	60.0%	30.0%	30.0%
5	75.0%	75.0%	37.5%	37.5%
6	90.0%	90.0%	45.0%	45.0%
7	105.0%	105.0%	52.5%	52.5%
8	120.0%	120.0%	60.0%	60.0%
9	135.0%	135.0%	67.5%	67.5%
10	150.0%	150.0%	75.0%	75.0%
11	165.0%	165.0%	82.5%	82.5%
12	180.0%	180.0%	90.0%	90.0%
13	195.0%	195.0%	97.5%	97.5%
14	210.0%	210.0%	105.0%	105.0%
15	225.0%	225.0%	112.5%	112.5%
16	240.0%	240.0%	120.0%	120.0%
17	255.0%	255.0%	127.5%	127.5%
18	270.0%	270.0%	135.0%	135.0%
19	285.0%	285.0%	142.5%	142.5%
20	300.0%	300.0%	150.0%	150.0%
21	315.0%	315.0%	157.5%	157.5%
22	330.0%	330.0%	165.0%	165.0%
23	345.0%	345.0%	172.5%	172.5%
24	360.0%	360.0%	180.0%	180.0%
25	375.0%	375.0%	187.5%	187.5%
26	390.0%	390.0%	195.0%	195.0%
27	405.0%	405.0%	202.5%	202.5%
28	420.0%	420.0%	210.0%	210.0%
29	435.0%	435.0%	217.5%	217.5%
30	450.0%	450.0%	225.0%	225.0%
31	465.0%	465.0%	232.5%	232.5%

32	480.0%	480.0%	240.0%	240.0%
33	495.0%	495.0%	247.5%	247.5%
34	510.0%	510.0%	255.0%	255.0%
35	525.0%	525.0%	262.5%	262.5%
36	540.0%	540.0%	270.0%	270.0%
37	555.0%	555.0%	277.5%	277.5%
38	570.0%	570.0%	285.0%	285.0%
39	585.0%	585.0%	292.5%	292.5%
40	600.0%	600.0%	300.0%	300.0%
41	615.0%	615.0%	307.5%	307.5%
42	630.0%	630.0%	315.0%	315.0%
43	645.0%	645.0%	322.5%	322.5%
44	660.0%	660.0%	330.0%	330.0%
45	675.0%	675.0%	337.5%	337.5%

**RULE 57. RESERVED FOR FUTURE USE****RULE 58. REGISTRY OF MOTOR VEHICLES PROCEDURES**

The following is a general summary of Registry of Motor Vehicles procedures. For specific details about procedures, contact the Registry.

**Registration Requirements**

Registration is required for all vehicles and trailers. A complete "RMV-1" form must be submitted, along with the previous owner's title or certificate of origin, or a bill of sale for a vehicle that has not been titled previously.

Six to eight weeks prior to the expiration date of registration, the Registry will mail an "RMV-2" renewal card, which will show the current registration data for the owner of the vehicle and the vehicle. Certain changes may be made by the owner on the application.

An "RMV-3" Amendment of Registration form may be used to change information on a current registration, renew a current registration if an "RMV-2" form has not been received, swap from one license plate to another type of plate, such as a vanity plate, and re-register a vehicle for the same owner, if a new title is not required.

**Registration Transfer**

Valid plates from a previously-owned vehicle may be transferred to a newly acquired vehicle provided the owner is at least eighteen and has lost possession of the vehicle through either a transfer of ownership or sale of the vehicle.

An owner has seven (7) calendar days to operate a newly acquired vehicle with current plates before the transfer is processed at the Registry, and the intent of the owner is to transfer the registration from the previous vehicle to a newly acquired vehicle of the same type.

Restrictions on a registration transfer are: the owner must be the same on both vehicles, the transferred registration must be active, and the new vehicle must have the same type of plate.

**Salvage Title**

All vehicles for which an insurance company has made a total loss payment must be titled as a salvage vehicle except for vehicles 10 years or older. A vehicle which has a Salvage Title may not be provided with physical damage insurance until a new Certificate of Title is issued by the Registry. The Reconstructed or Recovered Theft Title will be awarded after the vehicle has passed a salvage inspection. The vehicle must be either towed to the salvage inspection site or a repair plate must be attached.



**PRIVATE PASSENGER ENDORSEMENTS  
ALPHABETICAL INDEX**

<b><u>TITLE</u></b>	<b><u>AIB FORM NO.</u></b>
Agreed Amount – Comprehensive	MPY-0034-S Ed. 04-08)
Antique Auto	M-0047-S (Ed. 04-08)
Coverage for Anyone Renting An Auto To You	M-0070-S (Ed. 04-08)
Coverage for Customized Vans and Pickups	MPY-0037-S (Ed. 04-08)
Excess Electronic Equipment Coverage	MPY-0041-S (Ed. 04-08)
\$100 Glass Deductible	MPY-0039-S (Ed. 04-08)
Guest Occupants Exclusion – Motorcycles	M-0002-S (Ed. 04-08)
Non-Renewal of Policy – Motorcycles, Recreational Vehicles and Trailers	M-0103-S (Ed. 04-08)
Operator Exclusion Form	M-0106-S (Ed. 04-08)
Stated Amount Coverage	MPY-0027-S (Ed. 04-08)
Suspension of Coverage - Reduction of Limits	MPY-0032-S (Ed. 04-08)
Transportation of Fellow Employees, Students or Others	M-0004-S (Ed. 04-08)
Use of Other Autos - Vehicles Furnished or Available for Regular Use	M-0051-S (Ed. 04-08)
Use of Other Autos - Vehicles Furnished or Available for Use As Public or Livery Conveyances	M-0052—S (Ed. 04-08)
Waiver of Deductible	MPY-0016-S (Ed. 04-08)

## PRIVATE PASSENGER FORMS

<u>Title</u>	<u>Edition</u>
Massachusetts Automobile Insurance Policy	2009 Ed.
Application for Massachusetts Motor Vehicle Insurance	2009 Ed.
Coverage Selections Page	2009 Ed.
Massachusetts Renewal Form	2009 Ed.
Annual Mileage Discount Form	2008 Ed.
Application for Benefits – Personal Injury Protection	
Massachusetts Motor Vehicle Liability Bond	
Notice of Cancellation of the Massachusetts Motor Vehicle Liability Policy	2009 Ed.
Notice of Non-Renewal of Your Massachusetts Automobile Insurance Policy	2009 Ed.
Notice of Transfer of Insurer	

**PERSONAL AUTO FORMS INDEX  
 (MASSACHUSETTS)**

For Vehicles Not Subject to the Compulsory Law

<b><u>Form Title</u></b> <b><u>Policy</u></b>	<b><u>Form Number and</u></b> <b><u>Edition Date</u></b>
PERSONAL AUTO POLICY	PP 00 01 01 05
AMENDMENT OF POLICY – MASSACHUSETTS	MP 00 99 11 01
<b><u>Endorsements</u></b>	
ADDITIONAL INSURED – LESSOR	PP 03 19 08 86
AUTO LOAN/LEASE COVERAGE	PP 03 35 09 93
CERTIFICATE OF INSURANCE – TRUSTS	PP 03 33 06 98
CHANGE ENDORSEMENT	PP 03 10 08 86
COVERAGE FOR DAMAGE TO YOUR AUTO (MAXIMUM LIMIT OF LIABILITY)	PP 03 08 06 94
COVERAGE FOR DAMAGE TO YOUR AUTO EXCLUSION ENDORSEMENT	PP 13 01 12 99
CUSTOMIZING EQUIPMENT COVERAGE	PP 03 18 01 05
EXCESS ELECTRONIC EQUIPMENT COVERAGE	PP 03 13 01 05
EXTENDED NON-OWNED COVERAGE FOR VEHICLES FURNISHED OR AVAILABLE FOR REGULAR USE	PP 03 06 01 05
EXTENDED NON-OWNED COVERAGE – VEHICLES FURNISHED OR AVAILABLE FOR USE AS A PUBLIC OR LIVERY CONVEYANCE	PP 13 05 01 05
FEDERAL EMPLOYEES USING AUTOS IN GOVERNMENT BUSINESS	PP 03 01 08 86
JOINT OWNERSHIP COVERAGE	PP 03 34 01 05
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**MASSACHUSETTS  
PRIVATE PASSENGER  
AUTOMOBILE INSURANCE MANUAL**





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## SECTION I - GENERAL RULES

### **RULE 1. MASSACHUSETTS AUTOMOBILE INSURANCE POLICY - ELIGIBILITY**

All individually owned vehicles registered under the Massachusetts compulsory motor vehicle law and rated in accordance with this Manual may be written on the AIB Massachusetts Automobile Insurance Policy.

Coverage for risks not subject to the compulsory law may be provided under the countrywide Personal Auto Policy and the Massachusetts Amendment of Policy Provisions Endorsement MP 00 99 at rates determined in accordance with this Manual.

### **RULE 2. COVERAGES AND LIMITS**

The types of coverages available in the AIB Massachusetts Automobile Insurance Policy are:

#### **Compulsory Insurance Coverages**

##### **Part 1 - Bodily Injury To Others**

The basic limits are \$20,000 each person and \$40,000 each accident.

##### **Part 2 - Personal Injury Protection**

The basic limit is \$8,000 for each person. Refer to Rule 30 for available deductibles.

##### **Part 3 - Bodily Injury Caused By An Uninsured Auto**

The basic limits are \$20,000 each person and \$40,000 each accident. Increased limits are available. The limits may not exceed the limits of Part 5, or if Part 5 is not purchased, Part 1 of this policy. This coverage is excess over Personal Injury Protection.

##### **Part 4 - Damage To Someone Else's Property**

The basic limit is \$5,000 each accident. Increased limits are available.

#### **Optional Insurance Coverages**

##### **Part 5 - Optional Bodily Injury To Others**

The basic limits are \$20,000 each person and \$40,000 each accident. Increased limits are available.

##### **Part 6 - Medical Payments**

The basic limit is \$5,000 each person. Higher limits are available for all motor vehicles rated in this manual. Motorcycle limits are available from \$500 to \$50,000. This coverage is excess over Personal Injury Protection.

##### **Part 7 - Collision**

This coverage is subject to a basic deductible of \$500. A deductible of \$300 is available subject to underwriting requirements established by the insurer, as permitted by law. Higher deductibles are available at the option of the insured. Waiver of Deductible is available at the option of the insured. Endorsement MPY-0016-S must be attached. This coverage is written on an actual cash value or stated amount basis.

##### **Part 8 - Limited Collision**

This coverage is subject to a basic deductible of \$500. Other deductibles or full coverage are available at the option of the insured. This coverage is written on an actual cash value or stated amount basis.

##### **Part 9 - Comprehensive**

This coverage is subject to a basic deductible of \$500. A deductible of \$300 is available subject to underwriting requirements established by the insurer, as permitted by law. Higher deductibles are available at the option of the insured. A separate \$100 glass deductible is also available at the option of the insured. Endorsement MPY-0039-S, titled \$100 Glass Deductible, must be issued with the policy. This glass deductible is in addition to the otherwise applicable deductible for Part 9. This coverage is written on an actual cash value, stated amount or agreed amount basis.

##### **Part 10 - Substitute Transportation**

This coverage pays for loss of use of a motor vehicle as a result of an accident or loss. Refer to the Miscellaneous Rating factors page for applicable limits and premiums.

## **Part 11 - Towing And Labor**

This coverage will pay up to \$50 or up to \$100 for towing and labor costs for each auto disablement. It is available only for private passenger motor vehicles, as defined in Rule 27, and motorcycles.

## **Part 12 - Bodily Injury Caused By An Underinsured Auto**

The basic limits are \$20,000 each person and \$40,000 each accident. Increased limits are available. The limits may not exceed the limits of Part 5, or if Part 5 is not purchased, Part 1 of this policy. This coverage is excess over Personal Injury Protection.

## **RULE 3. MANDATORY OFFER OF COVERAGE**

Massachusetts law requires a company that provides Compulsory Insurance Coverages to make a mandatory offer to issue to any person so insured additional coverages consisting of:

1. Limits up to \$35,000 each person and \$80,000 each accident for Parts 3, 5 and 12.
2. \$5,000 each person for Part 6.
3. Parts 7, 8 and 9, subject to a basic deductible of \$500.
4. Part 10 - Substitute Transportation.
5. Fire, Theft and Comprehensive Coverage subject to a basic deductible of \$500.

## **RULE 4. STANDARD PROCEDURES**

### **A. Renewals**

1. The company must mail the Coverage Selections Page not less than thirty days prior to policy expiration. The Coverage Selections Page may be accompanied by the Massachusetts Renewal Form.
2. The Company may elect to secure payment of a deposit premium. The premium quotation shall be based on the latest classification information and premium charges established for the renewal policy.
3. Failure to pay the deposit premium may result in cancellation of the policy. The specific reason for cancellation is non-payment of any required premium and fees.

The Cancellation Notice must also contain the following statement:

"This cancellation will not take effect if the full amount of premium and fees due shown above is paid on or prior to the effective date of cancellation."

### **B. Non-Renewal**

1. No company shall refuse to renew a policy unless written notice is given by the company to the insured, or the producer or broker producing the business, at least forty-five days prior to the expiration of the policy.
  - a. A notice required to be sent by the company to the insured may be by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. Unless another company has replaced the insurance, the notice should be electronically transmitted to the Registry of Motor Vehicles not earlier than the policy expiration date. If the insurance and registration are coterminous, it will not be necessary to notify the Registry of Motor Vehicles.
  - b. If the notice is required to be sent by the company to the producer or broker producing the business, such producer or broker shall, within fifteen days of receiving such notice, send a copy to the insured by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. The producer or broker must notify the company not later than the policy expiration date if the insurance is not replaced so that the company may, in turn, electronically transmit the notice to the Registry of Motor Vehicles. Notice to the company is not required if the insurance and registration are coterminous.

**C. New Business**

1. The producer is required to submit an Application for Massachusetts Motor Vehicle Insurance from the applicant.
2. The producer must verify that there is no automobile insurance premium owed to the former company or producer.
3. The producer of record must provide information necessary for a company to transmit data to the Registry of Motor Vehicles for each vehicle insured.

In addition to reporting the necessary information to the company, the producer shall prepare an RMV-3 form, accompanied by the appropriate fee, for processing by the Registry of Motor Vehicles.

4. At the same time this information is provided to the insurer, the producer of record shall notify the former producer of record, if known, and the former insurer that a certificate of coverage has been issued for the policy. The notice must be signed by the producer of record or issued on the insurer's letterhead and the notice must bear the Registry stamp of the insurer, which may be in electronic format. The notice may be in hard copy or electronic format.
5. Upon receipt of the notice of transfer of insurer, the former insurer shall:
  - a. discontinue coverage as of the date shown on a notice of transfer; and
  - b. compute the return premium, if any, as of the date shown on a notice of transfer .

No notice of cancellation is required.

**D. Cancellation**

1. Notice of cancellation must be given in a timely manner as required by Massachusetts law and shall include the specific reason(s) for cancellation.
2. The company must electronically notify the Registry of Motor Vehicles immediately upon the intended effective date of cancellation.

Refer to Rule 18.

**RULE 5. RESIDENCE AND LOCATION**

The proper rate schedules and rules are those effective in the city or town where the automobile is principally garaged. Motor vehicles used by salesmen or solicitors, or those with similar duties, requiring the operation of the motor vehicle in more than one rating territory in Massachusetts, shall be assigned to the territory determined by the place of principal garaging, or, if there is no specific city or town of principal garaging, then, by the residential address of the operator, or, if the residential address of the operator cannot be determined, then, by the Massachusetts business address of the operator. No adjustment of the premium shall be made by reason of a change in the place of principal garaging during the policy period unless such change is permanent.

Massachusetts registration is required of non-residents in accordance with reciprocal agreements with the various states as determined by the Registrar of Motor Vehicles.

Any motor vehicle owned by a non-resident of Massachusetts for which Massachusetts registration is required, regularly garaged inside the Commonwealth, shall be charged the rate for the territory in which the motor vehicle is principally garaged by such non-resident during the period of Massachusetts registration.

**RULE 6. OUT-OF-STATE GARAGING**

Any motor vehicle, whether owned by a resident or non-resident of Massachusetts for which Massachusetts registration is required, principally garaged outside of Massachusetts shall be written at limits of liability at least equal

to the financial responsibility limits of the state of principal garaging, and shall be charged the rates for vehicles garaged in Territory 9.

**RULE 7. POLICY PERIOD**

- A. The insured shall have the option to purchase and the insurer shall not refuse to issue an annual motor vehicle policy or bond providing compulsory coverages containing any expiration date as the insured may elect. Insurers may offer such policies or bonds for a period of more than one year but not more than two years or may issue an extension of any existing policy or bond.
- B. Policies insuring individually owned motorcycles, trailers and other recreational-type vehicles shall, at the option of the insured, be issued for a period of less than one year with policy expiration to be coterminous with the registration. Endorsement M-0103-S, titled Non-Renewal of Policy (Motorcycles, Recreational Vehicles & Trailers), must be issued with the policy.

"Recreational-type vehicle" means a land motor vehicle subject to a motor vehicle registration which expires November 30 or December 31, and is principally used for vacation travel or leisure-time activity. Registration for motorcycles expires December 31. Registration for all other recreational vehicles expires November 30.

The premium for such policies shall be determined by applying the appropriate percentage to the annual rate based on policy inception date as shown in the table below.

Percentages for Short Term Policies				
		Date Interval*		Percent of Annual Rates
All Other		Motorcycle		
Dec.	1-31	Jan.	1-31	100
Jan.	1-31	Feb.	1-28	98
Feb.	1-28	Mar.	1-31	94
Mar.	1-31	Apr.	1-30	90
Apr.	1-30	May	1-31	88
May	1-31	Jun.	1-30	86
Jun.	1-30	Jul.	1-31	80
Jul.	1-15	Aug.	1-15	75
Jul.	16-31	Aug.	16-31	68
Aug.	1-15	Sep.	1-15	60
Aug.	16-31	Sep.	16-30	53
Sep.	1-15	Oct.	1-15	45
Sep.	16-30	Oct.	16-31	38
Oct.	1-15	Nov.	1-15	30
Oct.	16-31	Nov.	16-30	27
Nov.	1-15	Dec.	1-15	20
Nov.	16-30	Dec.	16-31	14

\*All dates inclusive

**RULE 8. CHANGES**

- A. All changes to a policy during its term which require adjustments of premium shall be computed pro rata based on the rates in effect on the policy inception date.
- B. Minimum Premiums**
1. If an outstanding policy is amended and results in a premium adjustment of less than \$5, such adjustment may be waived, or it may be made subject to a minimum adjustment of \$5 except that the actual return premium of less than \$5 shall be allowed at the request of the insured.
  2. A minimum premium of \$5 shall apply if an additional premium results because a coverage is added, or the limits of liability are increased, or a deductible is reduced, at the request of the insured during the policy period.

3. If a return premium of less than \$5 results because a coverage is cancelled, or limits of liability are reduced, or a deductible is increased at the request of the insured, no refund need be made except at the request of the insured, in which case the actual return premium shall be allowed.
4. If the limits of liability are increased because of a change in the limits prescribed under any financial responsibility law, the additional premium charge shall be the actual difference in premium charges; if less than \$5, it may be charged or waived.

## **RULE 9. MOTOR VEHICLE REGISTRATION CERTIFICATES**

The specific insurance certification requirements under the Massachusetts compulsory motor vehicle insurance law are included in Section 1A of General Laws Chapter 90. Motor vehicles not subject to the compulsory law do not require insurance certification.

Every insurance carrier issuing a motor vehicle liability insurance policy covering a motor vehicle or trailer subject to the compulsory law must issue the prescribed Motor Vehicle Registration Certificate indicating a policy or binder has been issued covering such motor vehicle or trailer. No form or certificate shall be used other than that which is a part of the Massachusetts motor vehicle application for registration.

Certificates shall be executed in the name of the insurance carrier only by individuals authorized to sign in the prescribed Authorization To Sign Motor Vehicle Registration Certificates form filed with the Commissioner of Insurance.

Section 34 B of General Laws Chapter 90, G.L. provides penalties for unlawful use of the Motor Vehicle Registration Certificate.

## **RULE 10. CERTIFIED RISKS - FINANCIAL RESPONSIBILITY LAWS**

### **A. Application**

If a certificate of insurance is necessary to comply with the requirements of a financial responsibility law of any state or province of Canada, the insurance company must issue evidence of financial responsibility upon request of the insured, for an additional premium.

In the event that evidence of financial responsibility is required as the result of a motor vehicle violation, a policy affording Damage To Someone Else's Property (Part 4) and Optional Bodily Injury To Others (Part 5) shall be construed to have the necessary limits of liability of the state or province.

In the event that a certificate of insurance for the future is required as the result of a conviction of a motor vehicle violation, the policy limits shall be increased to afford limits of liability not less than that required by the financial responsibility laws of the state or province requesting certification and premium shall be increased accordingly.

The filing of a financial responsibility certificate of insurance as the result of a conviction of a motor vehicle violation requires the following premium adjustments to be added to the otherwise applicable premiums as follows:

#### **1. Owners**

- a. If an owner is required to file evidence of financial responsibility for owned automobiles and for the operation of automobiles which he does not own, the additional premium shall be the applicable percentage in Section B of the sum of the total of Parts 1, 2, 4 and 5 premium for the highest rated automobile owned by the insured and the total non-ownership liability premium, modified in accordance with any applicable rating plan.
- b. In all other cases, the additional premium shall be the applicable percentage in Section B of the total premium for Parts 1, 2, 4 and 5 for the highest rated automobile owned by the insured, modified in accordance with any applicable rating plan.

#### **2. Non-Owners**



- a. If the policy is written to insure a Named Operator or Named Non-Owner, the additional premium shall be the applicable percentage in Section B of the total bodily injury and property damage premium for the policy.
- b. If coverage is provided under a policy which has been extended to cover a named individual in accordance with the Use of Other Automobiles Rule (Rule 50), the additional premium shall be the applicable percentage of the (1) bodily injury premium for the highest rated automobile insured under the policy for the rating territory in which the named individual is located, or (2) if there is no automobile at such location, the rates for a Class 30 private passenger automobile for the territory in which the named individual is located.

**B. Additional Premium Percentages**

1. The otherwise applicable premium will be increased by 50% if the certificate is required for a conviction listed below. This increase is to be applied for the period of time a certificate is required, but in no event for a period in excess of three years following conviction. Thereafter, the otherwise applicable premium will be increased by 5%.
  - a. Driving a motor vehicle while intoxicated or under the influence of marijuana or a narcotic drug.
  - b. Failing to stop and report when involved in an accident.
  - c. Homicide or assault arising out of the operation of a motor vehicle.
2. The otherwise applicable premium will be increased by 25% if the certificate is required for a conviction listed below. This increase is to be applied for the period of time a certificate is required, but in no event for a period in excess of three years following conviction. Thereafter, the otherwise applicable premium will be increased by 5%.
  - a. Driving a motor vehicle at an excess rate of speed where an injury to a person or damage to property actually results therefrom.
  - b. Driving a motor vehicle in a reckless manner where an injury to person or damage to property actually results therefrom.
3. The otherwise applicable premium will be increase by 5% if the certificate is required for any other cause whatsoever.

**RULE 11. PREMIUM CALCULATION RULE**

The following sequence shall be used in rating the policy. The manual rate includes any premium adjustment as may be necessary to increase, reduce or eliminate the deductible amount applicable to Parts 7, 8 and 9, or to apply Waiver of Deductible under Part 7.

1. Apply the appropriate rating factor under Rule 48 to the rate for Parts 7, 8 or 9, if applicable.
2. Apply the appropriate discount(s) to the premium developed in Step 1. Refer to Rule 19 for a definition of the available discounts.

Parts 1 through 9 and Part 12 may be subject to more than one discount. In such case, the order of discounts shall be (1) annual mileage, (2) multi-car, (3) anti-theft, (4) Portfolio (5) Good Student and (6) class 15. The discount shall be rounded to the nearest dollar after each application.

3. Add the appropriate merit rating adjustment to the premium developed in step 2.

**RULE 12. WHOLE DOLLAR PREMIUM RULE**

The premium for each exposure shall be rounded at each step to the nearest whole dollar, separately for each coverage provided by the policy.

A premium involving \$0.50 or more shall be rounded to the next whole dollar at the end of each step. This does not apply to Part 5, 20/40 limits and Part 6, \$5,000 limit where rates displayed in the manual may be used or rounded to the lower whole dollar.

This procedure shall apply to all interim premium adjustments, including endorsements or cancellations at the request of the insured. In the case of cancellation by the company, the return premium may be carried to the next higher whole dollar.

**NOTE:** The premium for "each exposure" means the premium developed for each coverage for each automobile after the application of all applicable discounts.

### **RULE 13. INSTALLMENT PAYMENT OF PREMIUMS**

All motor vehicle insurance policy premium charges are due and payable on the effective date of the policy, subject to the provisions of the Deposit Premium Rule (Rule 14), unless an installment payment plan is used.

### **RULE 14. DEPOSIT PREMIUM RULE**

A company, its producer or any broker may require deposit premium prior to the issuance of a policy provided the per vehicle deposit does not exceed 30% of the applicable annual premium for the insurance requested. If the applicant has been in default in the payment of any premium for automobile insurance during the preceding 24 months, the entire policy premium charges are payable in advance.

### **RULE 15. EMPLOYERS SUBJECT TO MASSACHUSETTS WORKERS' COMPENSATION ACT**

Motor vehicles owned by an employer subject to the Massachusetts workers' compensation law not used at any time to transport persons other than employees of the named insured shall be eligible for a 25% reduction in the Personal Injury Protection premium otherwise applicable. A vehicle which qualifies for this reduction is not eligible for any Personal Injury Protection deductible.

### **RULE 16. DEDUCTIBLES - PARTS 7, 8 and 9**

Deductibles, higher than the standard deductible, are available for Collision, Limited Collision and Comprehensive Coverages. Refer to the Miscellaneous Rating Factors page for applicable factors.

### **RULE 17. SUBSTITUTE TRANSPORTATION**

The charges for this coverage are on a per vehicle/per year basis for automobiles and motorcycles. Refer to the Miscellaneous Rating Factors page for applicable limits and premiums.

### **RULE 18. TERMINATION OF INSURANCE**

#### **A. Cancellations**

The following provisions apply when a policy is cancelled:

1. If a policy is cancelled the return premium shall be computed pro rata.
2. Theft of Vehicle or Plates
  - a. If the insured automobile is stolen or destroyed (total or constructive total loss) and cancellation is requested by the insured within thirty days following the date the automobile is stolen or destroyed, the return premium for all coverages (including the premium for the coverages under which loss was paid) shall be calculated on a pro rata basis from the day following the date of such loss.
  - b. If the insured registration plates are stolen or destroyed, a lost plate affidavit is to be issued to the Registry of Motor Vehicles canceling only coverage with respect to such plates effective the day

following the date of such loss, and the policy shall continue to provide coverage with respect to any replacement plates.

- c. If the insured files a lost plate affidavit with the Registry of Motor Vehicles, the company may cancel the policy.
3. Except as otherwise provided by law, no cancellation of the policy, or any of its parts, whether by the company or by the insured, shall be valid unless written notice thereof is given by the party proposing cancellation to the other party at least twenty days in each case prior to the intended effective date thereof. Notice of cancellation sent by the company to the insured and the loss payee at the addresses stated in the policy by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service, shall be a sufficient notice and that an affidavit of any officer, producer, or employee of the company, duly authorized for the purpose that he has so sent such addressed as aforesaid, shall be prima facie evidence of the sending thereof as aforesaid. When the cancellation becomes effective, the company shall electronically transmit the pertinent data to the Registry of Motor Vehicles in the manner prescribed by the Uninsured Motorists System (UMS). The written notice to the insured shall specify the reason or reasons for cancellation. If the reason for cancellation is non-payment of premium, the notice of cancellation shall state the amount of deficiency of the premium and fees owed to the company for all the insurance provided and shall state in substance that the cancellation will not be effective if the insured pays the full amount of the premium and fees due on or prior to the effective date of the cancellation. If a cancellation of the policy results in a return premium of less than \$5.00, no refund need be made except at the request of the insured, in which case the actual return premium be allowed.

#### **B. Sale or Transfer of Motor Vehicle, Surrender of Registration Plates, or Filing of a New Certificate**

The policy shall terminate upon:

1. The sale or transfer of title by the owner of the motor vehicle or trailer thirty (30) days after the transfer unless the owner has registered a replacement motor vehicle.
2. The surrender to the Registry of Motor Vehicles of the registration plates issued to the owner of the motor vehicle by the Registrar of Motor Vehicles under Chapter 90, with a written statement, in such form as the Registrar may require, that they are surrendered to cancel the registration of, and the insurance under, the policy for such motor vehicle or trailer.
3. The filing with the Registry a certificate of insurance of another company as of the effective date of such certificate.

NOTE: If more than one motor vehicle or trailer is described in the policy, the termination of coverage applies only to the motor vehicle or trailer involved in one of the situations described above.

#### **C. Reinstatement**

If a policy has been cancelled by an insurance company, and such policy is later reinstated by the Board of Appeal on Motor Vehicle Liability Policies and Bonds or by a court of competent jurisdiction, the premium charge for the unexpired term of the policy shall be calculated pro rata on the premium applicable to the policy when originally issued.

#### **D. Plates Returned Receipt**

In the event that a policy has been terminated by (a) sale or transfer of the motor vehicle, or (b) surrender of the registration plates by the owner of the motor vehicle with a written statement in such form as the Registrar may require, that they are surrendered to cancel the registration of, and the insurance under, the policy for such motor vehicle or trailer, a receipt from the Registry of Motor Vehicles stating that the registration plates have been surrendered must be furnished to the insurance company.

#### **E. Leased Vehicles Under Long Term Contract**

In the event a policy on a leased vehicle under a long-term contract is cancelled, the cancellation notice is to be issued in the name of the person or organization to whom the policy was issued. A copy of the cancellation notice must be sent to the owner/registrant also, if it is other than the person to whom the policy was issued.

Upon the intended effective date of cancellation, a notice issued in the name of the actual owner/registrant must be electronically transmitted to the Registry by the company.

## F. Instructions For Use of Pro Rata Table

1. Express the date of cancellation by year and decimal part of a year by combining the calendar year with the decimal appearing opposite the month and day in the Pro Rata Table, e.g., March 7, 2007, is designated as 2007.181.
2. In like manner express the effective date of the policy by year and decimal part of a year and subtract from the cancellation date.
3. The difference, in the case of one year policies, represents the percentage of the annual premium which is to be retained by the carrier.

Examples:

Cancellation date September 22, 2007	2007.726
Effective date July 6, 2007	<u>2007.512</u>
	.214

Earned premium for one year policy term will therefore be .214 times the annual premium.

Cancellation date March 7, 2007	2007.181
Effective date December 15, 2006	<u>2006.956</u>
	.225

Earned premium for one year policy term will therefore be .225 times the annual premium.

**NOTE:** As it is not customary to charge for the extra day (February 29) which occurs one year in every four years, this table shall also be used for each year.

**PRO RATA TABLE**

January			February			March			April			May			June		
Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio
1	1	.003	1	32	.088	1	60	.164	1	91	.249	1	121	.332	1	152	.416
2	2	.005	2	33	.090	2	61	.167	2	92	.252	2	122	.334	2	153	.419
3	3	.008	3	34	.093	3	62	.170	3	93	.255	3	123	.337	3	154	.422
4	4	.011	4	35	.096	4	63	.173	4	94	.258	4	124	.340	4	155	.425
5	5	.014	5	36	.099	5	64	.175	5	95	.260	5	125	.342	5	156	.427
6	6	.016	6	37	.101	6	65	.178	6	96	.263	6	126	.345	6	157	.430
7	7	.019	7	38	.104	7	66	.181	7	97	.266	7	127	.348	7	158	.433
8	8	.022	8	39	.107	8	67	.184	8	98	.268	8	128	.351	8	159	.436
9	9	.025	9	40	.110	9	68	.186	9	99	.271	9	129	.353	9	160	.438
10	10	.027	10	41	.112	10	69	.189	10	100	.274	10	130	.356	10	161	.441
11	11	.030	11	42	.115	11	70	.192	11	101	.277	11	131	.359	11	162	.444
12	12	.033	12	43	.118	12	71	.195	12	102	.279	12	132	.362	12	163	.447
13	13	.036	13	44	.121	13	72	.197	13	103	.282	13	133	.364	13	164	.449
14	14	.038	14	45	.123	14	73	.200	14	104	.285	14	134	.367	14	165	.452
15	15	.041	15	46	.126	15	74	.203	15	105	.288	15	135	.370	15	166	.455
16	16	.044	16	47	.129	16	75	.205	16	106	.290	16	136	.373	16	167	.458
17	17	.047	17	48	.132	17	76	.208	17	107	.293	17	137	.375	17	168	.460
18	18	.049	18	49	.134	18	77	.211	18	108	.296	18	138	.378	18	169	.463
19	19	.052	19	50	.137	19	78	.214	19	109	.299	19	139	.381	19	170	.466
20	20	.055	20	51	.140	20	79	.216	20	110	.301	20	140	.384	20	171	.468
21	21	.058	21	52	.142	21	80	.219	21	111	.304	21	141	.386	21	172	.471
22	22	.060	22	53	.145	22	81	.222	22	112	.307	22	142	.389	22	173	.474
23	23	.063	23	54	.148	23	82	.225	23	113	.310	23	143	.392	23	174	.477
24	24	.066	24	55	.151	24	83	.227	24	114	.312	24	144	.395	24	175	.479
25	25	.068	25	56	.153	25	84	.230	25	115	.315	25	145	.397	25	176	.482
26	26	.071	26	57	.156	26	85	.233	26	116	.318	26	146	.400	26	177	.485
27	27	.074	27	58	.159	27	86	.236	27	117	.321	27	147	.403	27	178	.488
28	28	.077	28	59	.162	28	87	.238	28	118	.323	28	148	.405	28	179	.490
29	29	.079	29			29	88	.241	29	119	.326	29	149	.408	29	180	.493
30	30	.082	30			30	89	.244	30	120	.329	30	150	.411	30	181	.496
31	31	.085	31			31	90	.247	31			31	151	.414	31		
July			August			September			October			November			December		
Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio
1	182	.499	1	213	.584	1	244	.668	1	274	.751	1	305	.836	1	335	.918
2	183	.501	2	214	.586	2	245	.671	2	275	.753	2	306	.838	2	336	.921
3	184	.504	3	215	.589	3	246	.674	3	276	.756	3	307	.841	3	337	.923
4	185	.507	4	216	.592	4	247	.677	4	277	.759	4	308	.844	4	338	.926
5	186	.510	5	217	.595	5	248	.679	5	278	.762	5	309	.847	5	339	.929
6	187	.512	6	218	.597	6	249	.682	6	279	.764	6	310	.849	6	340	.932
7	188	.515	7	219	.600	7	250	.685	7	280	.767	7	311	.852	7	341	.934
8	189	.518	8	220	.603	8	251	.688	8	281	.770	8	312	.855	8	342	.937
9	190	.521	9	221	.605	9	252	.690	9	282	.773	9	313	.858	9	343	.940
10	191	.523	10	222	.608	10	253	.693	10	283	.775	10	314	.860	10	344	.942
11	192	.526	11	223	.611	11	254	.696	11	284	.778	11	315	.863	11	345	.945
12	193	.529	12	224	.614	12	255	.699	12	285	.781	12	316	.866	12	346	.948
13	194	.532	13	225	.616	13	256	.701	13	286	.784	13	317	.868	13	347	.951
14	195	.534	14	226	.619	14	257	.704	14	287	.786	14	318	.871	14	348	.953
15	196	.537	15	227	.622	15	258	.707	15	288	.789	15	319	.874	15	349	.956
16	197	.540	16	228	.625	16	259	.710	16	289	.792	16	320	.877	16	350	.959
17	198	.542	17	229	.627	17	260	.712	17	290	.795	17	321	.879	17	351	.962
18	199	.545	18	230	.630	18	261	.715	18	291	.797	18	322	.882	18	352	.964
19	200	.548	19	231	.633	19	262	.718	19	292	.800	19	323	.885	19	353	.967
20	201	.551	20	232	.636	20	263	.721	20	293	.803	20	324	.888	20	354	.970
21	202	.553	21	233	.638	21	264	.723	21	294	.805	21	325	.890	21	355	.973
22	203	.556	22	234	.641	22	265	.726	22	295	.808	22	326	.893	22	356	.975
23	204	.559	23	235	.644	23	266	.729	23	296	.811	23	327	.896	23	357	.978
24	205	.562	24	236	.647	24	267	.732	24	297	.814	24	328	.899	24	358	.981
25	206	.564	25	237	.649	25	268	.734	25	298	.816	25	329	.901	25	359	.984
26	207	.567	26	238	.652	26	269	.737	26	299	.819	26	330	.904	26	360	.986
27	208	.570	27	239	.655	27	270	.740	27	300	.822	27	331	.907	27	361	.989
28	209	.573	28	240	.658	28	271	.742	28	301	.825	28	332	.910	28	362	.992
29	210	.575	29	241	.660	29	272	.745	29	302	.827	29	333	.912	29	363	.995
30	211	.578	30	242	.663	30	273	.748	30	303	.830	30	334	.915	30	364	.997
31	212	.581	31	243	.666	31			31	304	.833	31			31	365	1.00

**RULE 19. DISCOUNTS****A. Multi-Car**

A policyholder who owns two or more automobiles and purchases coverage from the same company for at least two such automobiles, shall be entitled to a reduction of the premium applicable to Coverage Parts 1, 2, 4, 5, 7, 8 and 9. At least two of the automobiles must be private passenger vehicles as defined in Rule 27, except that vehicles classified as antiques are not eligible. The premium reduction applies only to private passenger vehicles as defined in Rule 27. Refer to Miscellaneous Rating Factors page for applicable discount.

**B. Anti-Theft Device**

Refer to Anti-Theft Devices Standards and Discounts Rule 54.

**C. Class 15**

Premiums otherwise applicable to class 10 automobiles shall be reduced by 25% for insureds age 65 or older. The policyholder is required to notify the company of any change in operator usage which would affect entitlement to the discount.

The 25% discount is applied to the final premium for each part after all other discounts and rating factors have been completed. It is the last step in the rating process prior to the application of the merit rating plan.

**D. Annual Mileage Discount**

A discount of the premium paid for Parts 1, 2, 3, 4, 5, 6, 7, 8 and 12 will be given to eligible policyholders on request, when the annual mileage of the vehicle falls into one of two categories. The discount will be based on the actual mileage driven in the previous policy year as determined by a comparison of two odometer readings, at least six months apart, from Registry of Motor Vehicle information or the Annual Mileage Discount Form and other standard automobile insurance forms available to the company. Refer to the Miscellaneous Rating Factors page for the applicable categories and discounts.

**1. Eligibility**

The vehicle must be a private passenger vehicle as defined in Rule 27, except that vehicles classified as Antiques are not eligible. The company may request that the applicant for the discount complete the Annual Mileage Discount Form for the verification of eligibility for the discount.

**2. Verification**

The company may use the odometer readings provided by the applicant on the Annual Mileage Discount Form or other standard forms available to the company, in order to verify the mileage driven in the past year. The company shall compute the annualized difference between the odometer reading at the time of application and the previous odometer reading to determine eligibility. If a vehicle replaces a vehicle which is receiving the discount, the annual mileage of the prior vehicle will be attributed to the replacement vehicle.

The company may use information from the Vehicle Inspection System of the Registry of Motor Vehicles to verify annual mileage. The difference in the two most recent odometer readings reported by the Registry, if at least six months apart, shall be annualized to determine eligibility for the discount. If the Registry reports only one reading, which is more than six months before the application for the discount, the applicant may provide a current odometer reading on the Annual Mileage Discount Form, and the difference shall be annualized to determine eligibility.

If two odometer readings, at least six months apart, are not available to the company through the Registry of Motor Vehicles, the Annual Mileage Discount Form or other standard forms, the vehicle is not eligible for the annual mileage discount.

**3. Application of Discount**

The applicable discount applies to rates otherwise determined for each insured vehicle by coverage, limits purchased, territory, driver class, and model year and symbol prior to the application of the merit rating plan.

## **E. Portfolio Discount**

A discount will apply to Parts 1, 2, 4, 5, 6, 7, 8, 9, 10 and 11 when the named insured or spouse is also the named insured on a Personal Insurance property policy with one of the Fireman's Fund Insurance Companies. The property policy shall include a Homeowner, Condominium, or Renters policy.

The applicable rating factors are shown in the Automobile Rating Section.

## **F. Good Student Discount**

A discount will apply to Parts 1-12 where the insured meets the following criteria:

### **A. The rated operator is:**

1. classified in one of the following inexperienced operator classes: 17, 18, 20, 21, 25 or 26 and
2. a full time high school, college or university student.

**B.** A certified statement from a school official is presented to the Company on each anniversary date of the policy indicating that the student has met one of the following requirements during the immediately preceding school semester:

1. is in the upper 20% of his/her class scholastically, or
2. maintains a "B" average, or its equivalent. If the letter grading system cannot be averaged then no grade can be below "B".
3. when in a school maintaining a numerical grade, must have at least a 3 in a 4, 3, 2, 1 point system or its equivalent.
4. student is included in a "Dean's List," "Honor Roll", or comparable list indicating scholastic achievement.

The applicable rating factors are shown in the Automobile Rating Section.

## **G. Future Effective Date Discount**

This discount is available to customers new to one of the Fireman's Fund Insurance Companies with an original effective date on or after 05/01/2012. The applicable rates will be reduced by the appropriate factor shown in the rate pages if the following criteria are satisfied:

A. The initial quote for the new policy is completed 7 or more days before the policy effective date at New Business.

B. The policyholder has prior insurance with no lapse in coverage at New Business. A policyholder will be considered to have a lapse at New Business if there is a lapse of 1 day or more between the expiration date of the prior policy and the New Business effective date of the new business policy.

Note: Military personnel returning from deployment overseas who had no need for liability insurance coverage while deployed will be defined to have had no lapse at new business if:

1. they had liability insurance coverage prior to deployment, and
2. this coverage was either still in force or expired within 30 days of the date of deployment, and
3. they have applied for insurance within 30 days of the date of their return to the United States.

The discount will apply only to the policy periods commencing within the first 36 months of the policy effective date.

## **Rule 20. MODEL YEAR RATING**



**A. Model Year Defined**

The model year of an auto is used in rating physical damage coverage on an actual cash value basis.

The model year of the auto is the year assigned by the auto manufacturer. The model year of rebuilt or structurally altered autos is determined by the model year of the chassis.

**B. Rating of Model Years Not Shown on Rate Pages**

1. **1990 and Later Model Years:** Refer to the Miscellaneous Rating Factors section and apply the model year, symbol and coverage factor to the earliest model year \$500 deductible rate displayed in the Rate Section to obtain the actual cash value premium.
2. **1989 and Earlier Model Years:**
  - a. Refer to the Miscellaneous Rating Factors section and apply the earliest model year, symbol and coverage factor to the earliest model year \$500 deductible rate for the same symbol-displayed in the Rate Section to obtain the actual cash value premium.
  - b. Apply the appropriate symbol factor shown below to the premium obtained in 2.a.:

Comprehensive				Collision			
Symbol	Factor	Symbol	Factor	Symbol	Factor	Symbol	Factor
1	.24	10	.68	1	.29	10	.71
2	.28	11	.77	2	.32	11	.80
3	.32	12	.88	3	.36	12	.89
4	.36	13	1.00	4	.41	13	1.00
5	.41	14	1.14	5	.46	14	1.12
6	.46	15	1.29	6	.51	15	1.25
7	.53	16	1.47	7	.57	16	1.40
8	.60	17	1.67	8	.64	17	1.57

**Rule 21. RESERVED FOR FUTURE USE**
**Rule 22. NON-SYMBOLLED VEHICLES AND RATING VEHICLES FOR WHICH SYMBOLS ARE NOT SHOWN ON THE RATE PAGES**
**A. Non-Symbolled Vehicles**

1. For rating of newly announced models for which no symbol is shown, use the symbol of the latest corresponding model which is shown until announcement is made.
2. For rating of other vehicles which have no prior corresponding model, determine the appropriate symbol based on the FOB List Price or Purchase Price, whichever is higher, from the following table.

Symbol	Model Years 1980 & Prior	Model Years 1981-1989	Model Years 1990 & Subsequent
1	0- 1600	0- 1600	0- 6500
2	1601- 2100	1601- 2100	6501- 8000
3	2101- 2750	2101- 2750	8001- 9000
4	2751- 3700	2751- 3700	9001-10000
5	3701- 5000	3701- 5000	10001-11250
6	5001- 6500	5001- 6500	11251-12500
7	6501- 8000	6501- 8000	12501-13750
8	8001-10000	8001-10000	13751-15000
10	10001-12500	10001-12500	15001-16250
11	12501-15000	12501-15000	16251-17500
12	15001-17500	15001-17500	17501-18750
13	17501-20000	17501-20000	18751-20000
14	20001 & above	20001-24000	20001-22000
15		24001-28000	22001-24000



16	28001-33000	24001-26000
17	33001-39000	26001-28000
18	39001-46000	28001-30000
19	46001-55000	30001-33000
20	55001-65000	33001-36000
21	65001 & above	36001-40000
22		40001-45000
23		45001-50000
24		50001-60000
25		60001-70000
26		70001-80000
27		80001 & above

### 3. Stated or Agreed Amount

If an automobile is appraised for stated or agreed amount coverage, the appraised value must be used to determine the symbol.

For model years 1980 and prior, with values of \$20,001 and above, the auto must be rated on a Stated Amount Basis in accordance with Rule 41. The insurer has the option to waive the requirement of obtaining an appraisal as required under Rule 41.

### 4. Equipment: Vans and Pick-ups

Except with respect to the coverage provided under Rule 47 for custom furnishings or custom equipment, the cost of any equipment installed in or upon a pick-up or van shall be added to the FOB List Price, Purchase Price or Appraisal Value in determining the applicable symbol.

## B. Rating Vehicles with Symbols 18 and Above

For model years 1981 and after, to determine the actual cash value premium for vehicle symbols 18 and above, apply the following factors to the premium shown for Symbol 17 and the applicable territory, class, and model year:

Symbol	Model Year 1989& Prior	Model Year 1990 & Subsequent
18	1.15	1.08
19	1.30	1.15
20	1.45	1.25
21	1.60	1.35
22		1.45
23		1.55
24		1.70
25		1.85
26		2.00
27		*

\* Determine the actual cash value premium for Symbol 27 vehicles by:

Increase the factor for Symbol 26 by +.15 for each \$10,000 or portion of \$10,000 above \$80,000 of the FOB List Price or Purchase Price, whichever is higher.

**RULE 23. RESERVED FOR FUTURE USE**

**RULE 24. RESERVED FOR FUTURE USE**

**RULE 25. VEHICLE SERIES RATING**

Vehicle Series Rating (VSR) is a program applied by the Insurance Services Office (ISO) to adjust the Price New Symbols of vehicles to increase or decrease the symbol due to loss experience reflecting crash damage, ease of repair, cost of repair parts, and theft for the particular vehicle, resulting in the Rating Symbol. The Rating Symbol is used to determine a vehicle's premium for Collision, Limited Collision and Comprehensive coverage.

The VSR program reviews the symbol assignments for all vehicle series three times: when the model year is introduced and in each of the next two annual VSR review years. The symbol for a particular series may be up-symbolled, down-symbolled, or may remain the same.

Reassignment of symbols shall be effective with 2006 and subsequent model year vehicles and may only be applied at policy issuance or renewal.

**RULE 26.        RESERVED FOR FUTURE USE**

## SECTION II - PRIVATE PASSENGER AUTOMOBILES

### **RULE 27. PRIVATE PASSENGER DEFINITION**

- A. A motor vehicle of the private passenger or station wagon type that is owned or leased under contract for a continuous period of at least twelve months by one or more individuals, excluding (1) partnerships, (2) corporations, (3) unincorporated business associations, and (4) other legal business entities with a federal employer identification number, and is not used as a public or livery conveyance nor rented to others. A vehicle which meets the conditions of Rule 31, regarding the transportation of fellow employees, students or others for consideration, is included in this definition, provided such vehicle is not registered for carrying passengers for hire.
- B. A motor vehicle that is a pick-up or van, that is owned or leased under contract for a continuous period of at least 12 months by one or more individuals, excluding (1) partnerships, (2) corporations, (3) unincorporated business associations, and (4) other legal business entities with a federal employer identification number, and
  - 1. has a gross vehicle weight rating of less than 10,000 pounds or has a rating symbol assigned to it by the Insurance Services Office (ISO), and
  - 2. is not used for the delivery or transportation of goods or materials unless such use is incidental to the insured's business of installing, maintaining or repairing furnishings or equipment.
- C. Gross Vehicle Weight Rating means the value specified by the manufacturer as the loaded weight of a single vehicle.
- D. At the option of the company, an eligible vehicle under this rule whose title has been transferred to a trust may be written under the Massachusetts Automobile Insurance Policy, subject to the following requirements: the grantor of the trust must be an individual or lawfully married individuals residing in the same household, and must be the only insured(s) named in Item 1 of the Coverage Selections Page. All vehicle(s) insured under the policy must be owned by the trust. A vehicle owned by a trust in which the grantor is a partnership or corporation must be written under a commercial auto policy.

If a motor vehicle is leased as described in the foregoing paragraphs, and the lessee is obtaining the insurance, the policy must be issued to the lessee as named insured and Endorsement M-0070-S, "Coverage For Anyone Renting An Auto To You," must be attached to the policy.

### **RULE 28. PRIVATE PASSENGER CLASSIFICATIONS**

#### **A. Operator Classes**

- 10 Experienced Operator.** The operator has been licensed at least six years and is under the age of 65 and the automobile is not used in the occupation, profession or business of the insured.
- 15 Experienced Operator - age sixty-five or more.** The operator has been licensed at least six years and is sixty-five years of age or more and the automobile is not used in the occupation, profession or business of the insured.
- 17 Inexperienced Principal Operator - licensed three or more years.** The operator of the automobile has been licensed at least three years and less than six years and is the principal operator of the automobile.
- 18 Inexperienced Occasional Operator - licensed three or more years.** The operator has been licensed at least three years and less than six years and is not the principal operator of the automobile.
- 20 Inexperienced Principal Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.

- 21 Inexperienced Occasional Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is not the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 25 Inexperienced Principal Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has completed a Satisfactory Driver Training Program.
- 26 Inexperienced Occasional Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, has completed a Satisfactory Driver Training Program, and is not the principal operator of the automobile.
- 30 Business Use.** The operator has been licensed at least six years and the automobile is used in the occupation, profession, or business of the insured. Going to or from the principal place of the occupation, profession or business of the insured is not considered business use.

## B. Operators

All operators of the insured automobiles must be listed on the Coverage Selections Page of the Policy. An operator is a person who has an operator's license, but does not include a person who has only a learner's permit.

### 1. Assignment of Operators to Automobiles

- a. Each operator listed on the policy shall be assigned to an automobile on the policy based on the operator's class and merit rating code in a manner which produces the highest Combined Premium (the sum of the premium for Parts 1, 2, 4, 5, 7, 8, and 9 for the operator's class and the operator's merit rating code) for each automobile. The operators shall be assigned in order of the highest Combined Premium applied to the automobile with highest Base Premium (the automobile's Class 10 premium for Parts 1, 2, 4, 5, 7, 8, and 9) until all operators are assigned to an automobile, except that:
- i. If an inexperienced operator is the principal operator of a specific automobile, the automobile shall be rated with the appropriate inexperienced principal operator class and merit rating code of that operator;
  - ii. If an operator age 65 or over is the principal operator of a specific automobile and all operators listed on the policy have been licensed at least six years, the automobile shall be rated as Class 15 and that operator's merit rating code shall be applied. However, if more than one listed operator is age 65 or over, Class 15 and the merit rating code of the Class 15 operators shall be applied in the manner which produces the highest Combined Premium.
  - iii. If an operator's class and merit rating code are rated on an automobile covered by another Massachusetts private passenger insurance policy, that operator shall be deferred from rating on the policy (Deferred Operator). If all operators listed on a policy are Deferred Operators, the operator producing the lowest Combined Premium shall be assigned to the automobile(s).
  - iv. If only one operator is listed on the policy, all automobiles on the policy will be assigned the same principal operator classification and merit rating code.
  - v. If each listed operator has been used in rating an automobile on the policy, any remaining automobiles shall be assigned the operator class and merit rating code which produces the lowest Combined Premium, unless the automobile is subject to rating as Class 30.
  - vi. If more than one operator is listed on the policy, an operator cannot be assigned as the principal operator of more than one automobile on the policy until the other operators (except Deferred Operators) are assigned to an automobile.
- b. The assignment of operators to automobiles applies regardless of the number of policies or insurers involved.

- c. An inexperienced operator in active military service with the Armed Forces of the United States of America shall not be considered an operator of the automobile unless such individual customarily operates the automobile.
- d. Private passenger automobiles owned by clergy are to be classified as Class 10 or 15 unless (a) Class 30 is required due to business use other than in connection with church use or (b) an inexperienced operator is listed on the policy.

## **2. Excluded Operator**

If an operator who is a member of the household is to be excluded in rating a particular automobile to produce a lower premium charge, the policyholder must submit a signed statement that such operator does not and will not operate the automobile to be insured. The signed statement must be on the Operator Exclusion Form, M-0106-S.

If any operator excluded as a result of such signed statement operates the automobile, the appropriate operator classification premium for the full policy period may be charged unless a collision or limited collision claim has been denied in accordance with the provisions of the policy because the excluded operator was driving the automobile at the time of the accident.

## **3. Driving Experience**

An operator new to Massachusetts must provide evidence of licensure from the state or country where the operator was previously licensed in order to assign the correct operator classification under this rule. If electronically available, the company will be responsible for obtaining the motor vehicle operator report from the other state or country. If necessary, a certified English translation may be required. No operator shall be assigned to Class 10 unless the operator has six or more years of driving experience.

The classification assigned to the operator is based on the number of years licensed in the other state or country and the completion of driver training, as established by the evidence of licensure. If no evidence of prior licensure is available, the operator may be assigned to Class 20 (inexperienced principal operator, licensed less than three years, no driver training) or Class 21 (inexperienced occasional operator, licensed less than three years, no driver training). The Massachusetts driving experience will be used thereafter to assign the operator classification.

## **4. Operator Use**

Operators will be classified by the amount of use of an insured automobile:

- Principal Operator – a person who has an operator's license and operates the insured automobile more than any other listed operator as determined by the percentage of use of the automobile.
- Occasional Operator – a person who has an operator's license and operates the insured automobile less than the principal operator.

## **C. Classification Changes**

Classification of each automobile shall be determined by the facts existing as of the effective date of the policy. Premium adjustments shall be made on a pro rata basis if changes occur during the policy period.

## **D. Satisfactory Driver Training Program**

1. Completion and receipt of a certificate under the Massachusetts Driver Education Program prescribed by the Registrar of Motor Vehicles, or
2. Satisfactory evidence (certificate signed by school officials) that such operators have successfully completed a driver education course in a state other than Massachusetts meeting the following standards:

- a. The course had the official approval of the State Department of Education or other responsible state agency, and was conducted by:
  - (1) a recognized secondary school, college or university, or
  - (2) other school approved and supervised by the State Department of Education or other responsible state agency.
- b. The course was conducted by instructors certified by the State Department of Education or other responsible state agency.
- c. The course was composed of a minimum of thirty clock hours for classroom instruction, plus a minimum of twelve clock hours per student in the practice driving phase.

**RULE 29. RESERVED FOR FUTURE USE****RULE 30. PERSONAL INJURY PROTECTION - DEDUCTIBLE FORM**

The policyholder, at his or her option, may elect an amount to be deducted from the amounts otherwise due each person subject to the deduction, under the following conditions:

1. The option of electing a deductible shall be limited to individual insureds and shall apply only to private passenger vehicles as defined in this Section and motor homes owned by such insureds.
2. The eligible policyholder may select a deductible amount of \$100, \$250, \$500, \$1,000, \$2,000, \$4,000 or \$8,000.
3. The deductible applicable to the "Policyholder alone" is the only deductible available if the policyholder is the only member of the household, regardless of the number of vehicles which he owns. Lawfully married individuals having joint ownership and registration of a single motor vehicle which is the only vehicle in the household shall be considered to be an individual for purposes of paragraph 4 of this rule. In such a case the same form of deductible must apply to both of the lawfully married individuals.
4. Either the deductible for the policyholder "alone" or the policyholder and household members is available to a policyholder who has two or more members in his household and there is one motor vehicle in the household.
5. The deductible applicable to the policyholder and household members is the only deductible available for election if there are two or more members in the household, and also two or more motor vehicles insured for Personal Injury Protection by household members.
6. If two or more vehicles are insured under a single policy, the same deductible election shall apply to all vehicles insured under such a policy.
7. As used in this rule, the term "household members" means those persons living in the policyholder's household who are related to the policyholder by blood, marriage or adoption. This includes wards or foster children.

The Personal Injury Protection premium otherwise applicable shall be reduced by the dollar amount determined by applying the percentage shown on the Miscellaneous Rating Factors page to the manual premium.

**RULE 31. TRANSPORTATION OF FELLOW EMPLOYEES**

If a private passenger motor vehicle has a seating capacity of not more than eight passengers other than the driver and is used to carry fellow employees, students or others for a consideration, expressed or implied, to or from, or near their place of employment or education, the premium to be charged shall be the otherwise applicable private passenger automobile premium. For vehicles in excess of eight passengers, refer to the rule for van pools in the commercial automobile manual.

All policies subject to this rule must contain the endorsement titled Transportation of Fellow Employees, Students or Others, M-0004-S.

**RULE 32. PICK-UPS, VANS AND SIMILAR TYPE VEHICLES**

Except for those vehicles for which a specific symbol is shown in the Symbol and Identification Section, pick ups, vans and similar type vehicles which qualify as private passenger automobiles in accordance with Rule 27(B), refer to the Miscellaneous Motor Vehicles page for rating methods and factors.

To determine the private passenger symbol group for Parts 7, 8 and 9, refer to Rule 22.

Using FOB List or purchase price, whichever is greater, apply the age group factor for the model year and follow ACV rating procedure.

The premium is then calculated in accordance with Rule 11.

**RULE 33. TOWING AND LABOR**

The Towing and Labor coverage is available for Private Passenger Automobiles and Motorcycles only.

Refer to the Miscellaneous Rating Factors page for limits and premiums.

**RULE 34. TRAILERS DESIGNED FOR USE WITH PRIVATE PASSENGER MOTOR VEHICLES**

This equipment includes utility, boat, horse, camping, travel or similar type trailers designed to be pulled by a private passenger auto, motorcycle, pick-up truck, van or similar type vehicle, and if not a home, office, store, display or passenger trailer.

Refer to Rule 22 to determine rating symbol. Use the FOB List or purchase price, whichever is greater.

Refer to Miscellaneous Motor Vehicle page for rating methods and factors. No other premium adjustments, factors or discounts apply.

**RULES 35- 38. RESERVED FOR FUTURE USE**

## SECTION III - MISCELLANEOUS MOTOR VEHICLES AND COVERAGES

### **RULE 39. MOTOR HOMES/CAMPER BODIES**

#### **A. Motor Homes**

Any motor vehicle originally designed or permanently altered as living quarters (including cooking, dining, plumbing or refrigeration facilities), and which is used exclusively for human habitation or camping purposes. This also includes pick-up trucks used solely to transport a camper body or other similar living quarters. A motor vehicle designed primarily to transport property which has been temporarily altered or equipped for human habitation shall not be deemed to be a motor home.

Refer to the Miscellaneous Motor Vehicles page under Motor Homes for rating methods and factors; for Parts 7, 8 and 9, refer to Rule 22 to determine rating symbol.

The premium is then calculated in accordance with Rule 11.

#### **B. Camper Bodies**

A pick-up truck used to transport a portable camper body or similar living quarters, but which is also used for other purposes should be rated, both pick-up and camper body, according to the otherwise regular use of the vehicle.

For Collision (Part 7), Limited Collision (Part 8), or Comprehensive (Part 9) coverages, the vehicle should be rated as follows:

##### Symbolled Pick-Up

1. Obtain the rating symbol from the Symbol and Identification Section.
2. Match the rating symbol with the appropriate price table in Rule 22. The value of the vehicle is the higher price displayed in the price range for the corresponding symbol.
3. Develop the revised rating symbol by adding the value of the camper body to the value of the vehicle as determined in item 2.
4. Develop the premium according to the rating symbol determined in item 3 and the model year indicated in the rate section.

##### Non-Symbolled Pick-Up

1. Determine the FOB List Price or Purchase Price, whichever is higher, and include the value of the camper body.
2. Based on the price developed in item 1 refer to Rule 22 to determine the symbol.
3. Develop the premium according to the symbol determined in item 2 and the model year indicated in the rate section.

The premium is then calculated in accordance with Rule 11.

### **RULE 40. ANTIQUÉ MOTOR CARS AND ANTIQUÉ MOTORCYCLES**

Any motor vehicle or motorcycle registered as an antique or, if not registered, is over twenty-five years old which is maintained solely for use in exhibitions, club activities, parades and other functions of public interest and which is not used primarily for the transportation of passengers or goods over any way, provided that the application for registration thereof is accompanied by an affidavit upon a form provided by the Registrar which shall include a statement of the age and intended use of such motor vehicle.

The merit rating plan does not apply to vehicles described in this Rule.

Endorsement M-0047-S titled Antique Auto must be issued with the policy.



Refer to the Miscellaneous Motor Vehicles page for rating methods and factors.

The premium is subject to the Class 15 discount. No other premium adjustments, factors or discounts apply.

### **RULE 41. STATED AMOUNT COVERAGE**

#### **Parts 7, 8 and 9**

A motor vehicle shall be insured on a stated amount basis when it can be clearly established that its value will produce an inadequate premium charge using normal rating procedures. In such case, the vehicle shall be rated as follows:

1. An appraisal shall be made at the time of application to establish the current market value of the vehicle. The insurer shall verify the accuracy of the appraisal.
2. Using the appraised value and the vehicle's model year, refer to Rule 22 to determine the symbol group. Obtain the stated amount rate from the Stated Amount Rate Page in this manual. Apply the rate obtained from this Stated Amount Rate Page to each \$100 of the appraised valuation. For Symbol 17 and above use the Symbol 17 rate.

Endorsement MPY-0027-S titled Stated Amount Coverage must be issued with the policy. This rating procedure is not available for antique automobiles which qualify under the Antique Motor Car rule (Rule 40).

The premium is then calculated in accordance with Rule 11.

### **RULES 42-43. RESERVED FOR FUTURE USE**

### **RULE 44. MOTORCYCLES, MOTORSCOOTERS, MOPEDS AND SIMILAR MOTOR VEHICLES**

Experienced or inexperienced operator classifications apply to coverage parts 1, 2, 4, 5, 7 and 8. The experienced operator classification is applied when the operator of the motorcycle has been licensed to operate a motorcycle for at least six years. The inexperienced operator class is applied when the operator of the motorcycle has been licensed to operate a motorcycle for less than six years, or holds a motorcycle permit. When an inexperienced operator classification is applied to a motorcycle, the rates for parts 1, 2, 4, 5, 7 and 8 must be multiplied by a factor of 1.50. The merit rating code assigned to an operator on a private passenger automobile insurance policy, if available, shall be applied to the motorcycle policy in accordance with the merit rating plan (Rule 56). Operators assigned to motorcycles will also be considered for assignment to automobiles listed on the policy in accordance with Rule 28.

If there is more than one operator on a policy, the operators shall be assigned to the motorcycles in the order which produces the highest Combined Premium. The Combined Premium is the sum of the premium for Parts 1, 2, 4, 5, 7, 8 and 9 for the operator's classification, including the 25% discount for operators age 65 and over, and the operator's merit rating code. Any motorcycles remaining after assignment of all operators shall be assigned the classification merit rating code producing the lowest Combined Premium for the listed operators. If an inexperienced operator is the only listed operator of the motorcycle on the policy, all motorcycles shall be assigned an inexperienced operator classification.

Personal Injury Protection coverage for any operator or occupant of a motorcycle is excluded under the policy. The Personal Injury Protection premium in the rate pages must be charged for all motorcycles subject to the Compulsory Law. If Optional Bodily Injury to Others (Part 5) is purchased with guest occupants excluded, Endorsement M-0002-S titled "Guest Occupants Exclusion" must be issued with the policy.

The term "Motorcycle" shall include any motor vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground, including any bicycle with a motor or driving wheel attached, except a tractor, a motorized lawnmower, a motor vehicle designed for the carrying of golf clubs and not more than four persons, an industrial three wheel truck, or a motor vehicle on which the operator and passengers ride within an enclosed cab.

The multi-car discount does not apply to any motorcycle.

Motorcycles shall be classified on the basis of cubic centimeter displacement in accordance with the following groups and written at the rate shown on the Rate Sheets.

Group A - Cubic Centimeter Engine Displacement of 100 or less.

Group B - Cubic Centimeter Engine Displacement of 101-350.

Group C - Cubic Centimeter Engine Displacement of 351-650

Group D - Cubic Centimeter Engine Displacement over 650

**Fire** - See rate section.

**Theft** - See rate section.

**Comprehensive** - See rate section.

**Collision** - See rate section.

**Limited Collision** - See rate section.

**Substitute Transportation** – See Miscellaneous Rating Factors page.

**Towing and Labor** – See Miscellaneous Rating Factors page.

Motorcycles subject to the compulsory law and classified in accordance with this Rule, shall be eligible for a 25% discount if the experienced operator has attained age 65, or older. The discount applies to all Parts.

Motorcycles subject to the compulsory law and classified in accordance with this Rule shall be eligible for a 10% discount if the principal operator has completed an approved motorcycle rider training program. The discount applies to Parts 1, 2, 3, 4, 5, 6, 7, 8 and 12. Refer to the Miscellaneous Motor Vehicles Page for a list of approved sites.

Motorcycles subject to the compulsory law and classified in accordance with this Rule shall be eligible for a 20% discount if the motorcycle is equipped with a Vehicle Recovery System which falls under Category IV of the Anti-Theft Device Standards and Discounts, as defined in Rule 54. This discount is applicable to Comprehensive coverage or other combinations of specified perils which afford Theft coverage.

Coverage for vehicles rated in accordance with this Rule and not subject to the compulsory law shall be provided on a Personal Auto Policy without a Personal Injury Protection endorsement.

#### **RULE 45. AGREED AMOUNT COVERAGE - COMPREHENSIVE**

At the option of the policyholder, Comprehensive (Part 9) coverage may be written to provide that in determining the actual cash value of a motor vehicle to be insured, no deduction shall be made to reduce the value of the vehicle to less than the agreed value in the event of loss. "Agreed value" means the value of the vehicle as determined by agreement between the insurer and the policyholder. As a condition to this coverage, the insurer shall be permitted to inspect the vehicle at the time of application. The vehicle shall be rated as follows:

1. An appraisal is to be made to establish the current market value of the vehicle. The cost of appraisal shall be borne by the policyholder.
2. Refer to Rule 22 to determine the appraised value symbol group.
3. Obtain the stated amount rate from the Rate Page Section of the Manual.

4. Apply the rate obtained to each \$100 of valuation.
5. Multiply the premium obtained in (4) above by the factor of 110%.

Endorsement MPY-0034-S titled "Agreed Amount Coverage - Comprehensive" must be issued with the policy.

This rating procedure is not available for antique automobiles and antique motorcycles as defined in Rule 40.

The premium is then calculated in accordance with Rule 11.

### **RULE 46. EXCESS ELECTRONIC EQUIPMENT COVERAGE**

Coverage for loss or damage to any electronic equipment that reproduces, receives or transmits audio, visual or data signals, is excluded under the Massachusetts Automobile Insurance Policy, unless the electronic equipment has been permanently installed in the auto in locations used by the auto manufacturer for installation of such equipment. However, electronic equipment which is permanently installed in the auto in locations not used by the auto manufacturer for installation of such equipment is covered up to \$1,000. Coverage in excess of \$1,000 is available, as follows:

1. Determine the value of the equipment, including installation, in excess of \$1,000
2. The rate charged is a flat rate and is not subject to any discount, other than that applicable to Class 15.
3. Endorsement MPY-0041-S, "Excess Electronic Equipment Coverage," must be issued with the policy.

Refer to the Miscellaneous Rating Factors page for premium charges.

No other rate adjustment, factor or discount apply.

### **RULE 47. CUSTOMIZED VANS AND PICK-UPS**

Coverage for loss or damage to customizing equipment located in or upon a pick-up or van is excluded under the Massachusetts Automobile Insurance Policy. Coverage for customizing equipment is available for any pick-up or van insured under the policy for Collision (Part 7), Limited Collision (Part 8), or Comprehensive (Part 9) by attaching Endorsement MPY-0037-S, Coverage for Customized Vans and Pick-Ups, and adding the value of the customized equipment to the value of the vehicle.

The vehicle should be rated as follows:

#### **A. Symbolled Pick-Up or Van**

1. Obtain the rating symbol from the Symbol and Identification Section.
2. Match the rating symbol with the appropriate price table in Rule 22. The value of the vehicle is the higher price displayed in the price range for the corresponding symbol.
3. Develop the revised rating symbol by adding the value of the customized equipment to the value of the vehicle as determined in Item 2.
4. Develop the premium according to the rating symbol determined in Item 3 and the model year indicated in the rate section.

#### **B. Non-Symbolled Pick-Up or Van**

1. Determine the FOB List Price or Purchase Price, whichever is higher, and include the value of the customized equipment.
2. Based on the price developed in Item 1, refer to Rule 22 to determine the symbol.
3. Develop the premium according to the symbol determined in Item 2 and the model year indicated in the rate section.

The premium is then calculated in accordance with Rule 11.

#### **RULE 48. ORIGINAL EQUIPMENT MANUFACTURER PARTS COVERAGE**

Coverage Parts 7, 8, 9

Coverage for payment of an amount necessary to replace damaged crash parts of an auto with parts manufactured or licensed by the original equipment manufacturer is provided for autos with less than 20,000 miles. At the option of the company, this coverage may be extended. Crash parts are defined to be sheet metal or plastic parts that constitute the visible exterior of the vehicle excluding glass and mechanical parts.

Eligible autos are private passenger automobiles as defined in Rule 27 which are insured for Collision, Limited Collision or Comprehensive coverage, and which are up to 10 model years old. For purposes of this rule, July 1 shall be considered the date at which model years age. For example, a model year 2007 vehicle will be new on July 1, 2006. It will be one model year old on July 1, 2007, two model years old on July 1, 2008, etc. It will be 10 model years old on July 1, 2016.

Refer to the Miscellaneous Rating Factors section for the rating factor.

Endorsement MPY-0040-S titled Original Equipment Manufacturer Parts Coverage must be issued with the policy.

Refer to Rule 11 to calculate premium.

### **SECTION IV - NON-OWNED AUTOMOBILES**

#### **RULE 49. NAMED NON-OWNER POLICY**

A policy may be written, at the option of the company, to insure a named individual who does not own an auto but drives borrowed or rented autos. The policy may also provide coverage for family members. Use Personal Auto Policy PP 00 01 and the Named Non-Owner Coverage Endorsement PP 03 22.

##### **Bodily Injury Liability, Property Damage Liability, Medical Payments**

If the exclusions for vehicles furnished or available for regular use apply:

Charge 40 % of the applicable Parts 1, 4, 5 and 6 premiums to provide coverage for a named individual.

Charge 60% of the applicable Parts 1, 4, 5 and 6 premiums to provide coverage for a named individual and family members.

If the exclusions for vehicles furnished or available for regular use do not apply:

Charge 60% of the applicable Parts 1, 4, 5 and 6 premiums to provide coverage for a named individual.

Charge 80% of the applicable Parts 1, 4, 5 and 6 premiums to provide coverage for a named individual and family members

##### **Uninsured Motorists and Underinsured Motorists**

Charge the applicable Part 3 and Part 12 private passenger premiums.

Only the Class 15 discount and merit rating adjustment apply in the calculation of the premium under Rule 11.

#### **RULE 50. USE OF OTHER AUTOMOBILES**

A policy may be extended to provide coverage for an individual who owns an auto but also drives borrowed or rented autos. The policy may also be extended to provide coverage for household members.

Endorsement M-0051-S, Use of Other Automobiles-Vehicles Furnished or Available For Regular Use may be used to cover vehicles furnished or available for regular use except vehicles furnished for use as public or livery conveyances.

Endorsement M-0052-S, Use of Other Automobiles-Vehicles Furnished or Available For Use as Public or Livery Conveyances, may be used to cover non-owned public or livery conveyances. Primary insurance must be in effect for these vehicles.

The following rates apply for Damage To Someone Else's Property (Part 4), Optional Bodily Injury To Others (Part 5), and Medical Payments (Part 6):

1. Vehicles Furnished or Available For Regular Use Except Public or Livery Conveyances

- A. No Primary Insurance - 90% of the applicable private passenger premium for an individual and 100% for individual and household members.
- B. Primary Insurance – 12% of the applicable private passenger premium for an individual and 13% for individual and household members.
- C. If the named individual is in the business of selling, servicing, repairing or parking autos and there is no insurance afforded on a primary basis, the applicable exclusion may be eliminated and the rate to be changed shall be 100% of the applicable private passenger premium.

2. Vehicles Furnished or Available For Use As Public or Livery Conveyances

50% of the applicable private passenger premium for an individual and 60% for an individual and household members.

Physical Damage Coverages

A policy providing Collision (Part 7), Limited Collision (Part 8) or Comprehensive (Part 9) coverages may be extended to provide these coverages for non-owned private passenger autos furnished or available for regular use to the named individual other than for use as a public or livery conveyance.

The premium for these coverages shall be the applicable private passenger class, symbol 5 and the latest model year shown in the manual for the territory in which the named individual resides.

Only the Class 15 discount and merit rating adjustment apply in the calculation of the premium under rule 11.

**RULES 51 - 53. RESERVED FOR FUTURE USE**

**SECTION V - SUPPLEMENTAL INFORMATION**

**RULE 54. ANTI-THEFT DEVICE STANDARDS AND DISCOUNTS**

**1. Purpose and Scope**

This rule governs the reduction in premium charges for private passenger motor vehicles and certain commercial vehicles equipped with anti-theft devices and vehicle recovery systems.

**2. Eligibility**

This rule is applicable to Private Passenger Automobiles as defined in Private Passenger Definition (Rule 27) in this manual.

**3. Coverages**

The discount is applicable to the Comprehensive coverage or other combination of specified perils which afford Theft coverage.

**4. Discounts Applicable**

The following discounts are to be applied:

<b>Vehicles Qualifying for</b>	<b>Discount</b>
Category I	5%
Category II	15%
Category III	20%
Category IV	20%
Category IV, plus Category I	25%
Category IV, plus Category II	30%
Category IV, plus Category III	35%
Category V	25%
Category V, plus Category I	28%
Category V, plus Category II	32%
Category V, plus Category III	36%

**5. Definitions**

As used in this regulation, the following words shall mean:

“Passive device or system” describes an anti-theft device or system which is activated automatically when the operator turns the ignition key to the off position.

“Alarm,” except where otherwise specified, means horn, bell, siren or other sounding device which is audible at 300 feet.

“Tubular” describes a type of lock whose key is cylindrically shaped and which has at least 50,000 combinations.

“Electronic lock or keyless device” is an electronic coding device that has more than 10,000 combinations. The combination used to unlock the device can be entered through a keyboard or similar data entry device or by means of a remote control device.

**6. General**

Stickers identifying the particular anti-theft system installed may not be attached to the car unless specifically permitted in these rules.

If two or more qualifying devices are attached to a vehicle, the total discount shall be that applicable to the device meeting standards for the highest discount. If one of the qualifying devices is a Category IV device, the applicable discount shall be calculated as stated in Item 4. Discounts Applicable.

Insurers may require reasonable evidence of installation of any anti-theft device but may not refuse to grant a discount to a qualifying device solely on the grounds that it was installed by the owner of the auto.

## **Categories Defined**

### **Category I**

Devices qualifying in this category receive 5% discounts.

#### **(a) Ignition or Starter Cut-Off Switch in Combination with Flush or Tapered Door Lock Buttons**

This device is an ignition cut-off switch (sometimes called a "kill switch") or a starter cut-off switch which is inserted into the ignition wiring of an auto. The switch is tripped upon leaving the auto and must be switched back in order to start the auto.

The switch must be installed so that it is not visible from the driver's position when the driver is seated. In addition, the vehicle must contain flush or tapered door lock buttons on all doors.

A sticker may identify the presence of this system.

#### **(b) Ignition or Starter Cut-Off Switches**

Such ignition or starter cut-off switches either must be designed so that the wires leading from the switch to the engine compartment are protected by armored tubing or cable, or operate passively.

#### **(c) Non-Passive, Externally-Operated Alarm**

This is a non-passive warning alarm which is installed in an auto and can be set to go off if any door, the trunk or the hood is opened without first turning off the alarm by use of a key inserted in a lock mounted on the outside of the auto.

#### **(d) Steering Column Armored Collar**

This is a device similar to an oversized padlock which clamps on the steering column over the ignition lock and prevents access to it. This device, upon being locked, prevents the vehicle from being started, or if the auto is hot-wired and started, the device prevents it from being steered. No part of the device, when not in operation, is attached to the steering column. A sticker may identify the presence of this device.

#### **(e) Steering Wheel Removal Lock**

This device prevents steering movement of the vehicle from a parked position. This is a high security steering wheel lock assembly manufactured of hardened steel components, which allows removal of the steering wheel from the vehicle. The assembly is permanently attached to the vehicle's steering column and is located between the column and the steering wheel. Operation of the lock is controlled by a high security configured key. Unlocking the assembly will permit removal of the steering wheel from the vehicle. A fitted security plate is then inserted onto the lock assembly in place of the steering wheel and the lock's security key is then removed. Re-attachment of the steering wheel onto the lock assembly requires use of the security key to first remove the fitted security plate and then to attach the steering wheel. The security key can be removed from the lock assembly only after either the security plate or steering wheel have been locked into place.

### **Category II**

Devices qualifying in this category receive 15% discounts.

#### **(a) Non-Passive Fuel Cut-Off Device**

This is a shut-off device which operates to block the fuel line when a switch is tripped or when the device is engaged by a key. The switch to open or shut off the fuel line must be well hidden from view.

#### **(b) Non-Passive Steering Wheel Lock**



This device prevents the steering wheel from turning. A steel collar and barrel, into which the shackle of a lock fits, are permanently attached to the steering post. The shackle, made of case-hardened alloy steel, fits over the steering wheel spoke and into the barrel. A tubular key operates the lock. The collar, barrel and shackle must resist cutting with a file. A sticker may identify the presence of this system.

**(c) Armored Cable Hood Lock and Ignition Cut-Off Switch**

This system is one which meets all the criteria of Section (5.4)(f)(1) except paragraph (a). Armor must be similar to that used in outdoor telephone booths; it must extend through firewall and be secured so as to prevent retraction.

**(d) Window Identification System**

A window identification is one in which identification letters and/or numbers are etched by sandblasting, chemical process or other permanent marking into all the windows of the vehicle other than the small vent window.

Provision must be made for immediate telephone identification of the owner of the vehicle any time of day or night.

A sticker may identify the presence of this identification system.

**(e) Emergency Handbrake Lock**

This device prevents the release of the emergency handbrake. The lock replaces the handbrake grip, and is permanently attached to the handbrake lever. The lock encasement must be all metal construction. The lock is released by entering a preset digital combination. A sticker may identify the presence of this device.

**(f) Transmission Lock**

The device prevents the vehicle from moving from a parked position by locking the gear shift. A steel encased lock is permanently attached to the floor of the vehicle by a steel stand. The shackle, made of case hardened alloy steel, fits around the gear shift and is inserted into the lock. The device must have a high security locking system with at least 50,000 combinations. The lock, shackle and stand must resist cutting and filing.

A sticker may identify this system.

## Category III

Devices qualifying in this category receive 20% discounts.

**(a) Passive Alarm System** - This is an alarm system meeting the following criteria:

- (1) Ignition must be cut off automatically, or starter must be disabled automatically.
- (2) Alarm must be triggered by entry of doors, hood or trunk.
- (3) Hood must not open unless unlocked from inside the vehicle by a key, or by an electronic keyless device.
- (4) Alarm must sound for no more than eight minutes, and upon ceasing to sound, must reset itself.
- (5) Alarm must not emit a pulsating, whooping, or yelping sound which would cause it to be mistaken for the modern police, fire or other emergency vehicle siren.
- (6) Alarm must be installed in the engine compartment so as to be inaccessible without opening the hood.
- (7) The system must be engaged passively by turning the ignition key to the off position. To disarm the system a tubular lock or electronic keyless device must be used. The maximum time delay permitted to disarm the system after re-entry is twenty seconds.

**(b) Passive Fuel Cut-Off Device**



This fuel cut-off device is engaged by turning the ignition key to the off position. The driver must trip a switch to open the fuel line each time the car is started. This device must meet the following criteria:

- (1) The fuel line must be blocked when the power is off.
- (2) The switch to open the fuel line must be well hidden from view, but accessible to the driver from the driver's seat. In the alternative a tubular key or an electronic keyless device may be used.
- (3) A parking/service attendant override switch may be provided. It must be well hidden from view. It must not be accessible from the passenger compartment; alternatively, if the override switch is accessible from the passenger compartment, a warning buzzer must sound (or the operator must be distracted in some other way) while the engine is running and the override switch engaged. If the buzzer is disconnected, it must result in disconnection of the entire anti-theft system.
- (4) Any under-the-dash wiring installed in connection with this device must blend in color with factory-installed wiring.

#### **(c) Armored Ignition Cut-Off Switch**

This device is a kill switch designed to resist tampering. To prevent hot-wiring of the auto, a protective cap is attached to the coil or starter solenoid. Such devices must meet the following criteria:

- (1) Armored cable must run from a separate key to the coil, starter solenoid, or other engine component. Such cable must be similar to that used in outdoor telephone booths, collapse when cut, and preclude quick reconnection of the cut wire inside; alternatively, some other effective means of preventing defeat of the system by cutting the armored cable must be employed.
- (2) The device must prevent hot-wiring of the car.
- (3) A separate lock must be of tubular type and must be installed inside the auto so as to facilitate use by the driver; alternatively, an electronic keyless device may be used in lieu of a lock if it does not take significantly longer to engage the device than it takes to remove a key from a lock, and use of the system is otherwise facilitated.

#### **(d) Passive Multi-Component Cut-Off Switch**

This device is a kill switch activated when the ignition key is turned to the off position. It is designed to prevent hot-wiring of the auto. Such device must meet the following criteria:

- (1) The primary wire to the ignition coil must be disconnected.
- (2) The device must disconnect the starter.
- (3) One or more wires to the electronic ignition system, or to the points and condenser must be disconnected and grounded to the chassis.
- (4) The wiring must blend with factory-installed wiring, and the disconnecting/grounding wires must be routed to random points in the electrical system away from the components they affect.
- (5) The control module, if separate from the electronic locking mechanism, must be hidden in the engine compartment or other part of the car so that it is not easily detectable.
- (6) In order to start the car, a lock or electronic device must be used to deactivate the system. The lock must be of tubular type and must be installed inside the auto so as to facilitate use by the driver; alternatively, an electronic keyless device may be used in lieu of a lock if it does not take significantly longer to engage the device than it takes to remove a key from a lock, and use of the system is otherwise facilitated.

#### **(e) Passive Time Delay Ignition System**

This is a device which allows the car to start only if the operator waits a prescribed time, which must vary from device to device in a range of three to twenty seconds, before moving the ignition key from "On" to "Start". If the auto does not start, the operator must be required to wait at least ninety seconds before the device can be operated successfully on a subsequent try.

The device must be resistant to tampering; for example, if it is forcibly removed, reconnection of the electrical system must not be possible with a hot-wire device. Alternatively, the device must be installed with a hood lock operated by a tubular key.

### **(f) Armored Cable or Electrically Operated Hood Lock and Ignition Cut-Off Switch**

This is a supplemental hood lock operated from within the auto which also cuts off the ignition when engaged. Such devices must meet the following criteria:

#### **(1) Armored Cable Hood Lock**

- (a) The hood lock cable must be armored by case hardened solid steel tubing designed to resist cutting; tubing must extend through firewall and be secured so as to prevent retraction. Otherwise, an alarm meeting the criteria of Section (5.3)(a) must be installed.
- (b) The system must be engaged by a push button or other device which facilitates use. The push button or other device must be installed within reach of driver when seated.
- (c) No portion of the hood lock cable may be accessible so that it could be grasped from underneath the car; and, if accessible through the grillwork, armor must extend to the locking mechanism.

#### **(2) Electrically Operated Hood Lock**

- (a) The hood lock is electrically operated and functions so that it remains locked even if the wiring operating the hood lock is cut.
- (b) The system must be engaged passively by turning the ignition key to the off position. To disarm the system a separate key or electronic keyless device must be used.
- (c) If the hood lock can be reached through the grillwork or from underneath the car, the hood lock must be shielded or armored so that it cannot be manually operated. The locks controlling the devices must be of tubular type or operate electronically.

### **(g) Passive, Delayed Ignition Cut-Off System**

This electronic system disables the ignition circuit at a preset engine speed such that the engine cannot be restarted or hot-wired. Such device must meet these criteria:

- (1) The ignition must cut off automatically as soon as the engine reaches a speed in the range of 1,500 to 2,000 RPM.
- (2) The system must be automatically armed when the ignition key is turned to the off position.
- (3) A push button or other type of disarm switch must be well hidden from view. The wiring must blend with factory-installed wiring if placed under the dash. In the alternative, a tubular key or an electronic keyless device may be used.
- (4) An alarm or horn shall be actuated at the same time the ignition is disabled.
- (5) If a parking/service attendant switch is provided, a buzzer must sound all the time the engine is running. The switch must be hidden in a remote place.

### **(h) Passive Ignition Lock Protective system**

This is a case hardened steel, protective cap which fits over the ignition lock so as to prevent extraction of the ignition lock cylinder. The cap fastens to a steel collar which fits around the steering post and over the ignition lock. The ignition key fits through a slot in the cap.

A sticker may identify the presence of this system.

**(i) High Security Ignition Replacement Lock**

This is a high security, case hardened steering column ignition lock, conforming to NHTSA Standard No. 1141, which cannot be removed using a conventional slide hammer or lock puller equipment.

A sticker may identify the presence of this system.

**(j) Hydraulic Brake Lock**

This is a dash-mounted device which, when activated and pressurized with the brake pedal, maintains hydraulic pressure on the brakes at two or more of a vehicle's wheels so that the vehicle cannot be driven. The device must have a high security locking system with at least 50,000 combinations and a lock which cannot be pulled using a conventional slide hammer or lock puller equipment.

**(k) Chip Key**

This device allows only the correct ignition key(s) to start the engine. The system prevents the motor vehicle from being started unless the key to the ignition enables the correct signal. The three types of systems that qualify are:

- (i) Transponder immobilizer system: system must detect the proper transponder value from the chip in the key in order to start the engine.
- (ii) VATS/PASS Key system: system must detect the proper resistance value in the key in order to start the engine.
- (iii) Passlock system: system must detect the proper R-code within the ignition lock or ignition switch to start the engine. This system does not have a chip in the key. The key turns the Passlock cylinder which provides the R-code.

**Category IV**

Devices qualifying in this category receive 20% discounts.

**Vehicle Recovery System**

This is an electronic unit installed in a vehicle that is activated after that vehicle is stolen. When activated, the device provides information to law enforcement officials or another public or private entities regarding the vehicle's location. The system provides for the routine delivery of the information to the appropriate law enforcement organization to assist in the recovery of the vehicle.

**Category V**

Devices qualifying in this category receive 25% discounts.

**Vehicle Recovery System with Unauthorized Movement Notification**

This is an electronic unit installed in a vehicle that is activated after that vehicle is moved without authorization. When activated, the device provides information to law enforcement officials or another public or private entity regarding the vehicle's location. The system provides for the routine delivery of the information to the appropriate law enforcement organization to assist in the recovery of the vehicle. Additionally, the device must provide personalized notification to the owner of a vehicle (or his or her authorized user) in the event of a potentially unauthorized movement of the owner's vehicle. Personalized notification shall mean notification delivered directly to the owner or his or her authorized user via automated communication, which is available beyond the proximity of the vehicle itself, to one or more devices designated in advance by the owner or his or her authorized user, such as to the owner's home telephone, mobile phone, electronic mail service, or wireless text messaging service. If maintaining the system in effect requires the payment of a service fee, insureds must provide the insurer reasonable confirmation of the coverage.

**RULE 55. PRE-INSURANCE INSPECTION PROGRAM**

General Laws Chapter 90, section 113S, and the implementing regulations, 211 CMR 94.00, require the pre-insurance inspection of private passenger motor vehicles. The following is a summary of the requirements of the regulation.

**Eligibility**

Unless specifically exempted or waived, all private passenger motor vehicles and pick-ups or vans having a gross vehicle weight up to 8,000 pounds are required to be inspected by an insurer prior to the issuance of physical damage coverages by the insurer.

**Exemptions to Inspection Requirement**

An inspection shall not be required if:

1. The motor vehicle is a new, unused motor vehicle from a franchised automobile dealership where the insurer is provided with either: a copy of the bill of sale which contains a full description of the motor vehicle, including all options and accessories; or a copy of the RMV Form 1 provided by the Registry of Motor Vehicles, which establishes the transfer of ownership from the dealer to the customer and a copy of the window sticker or the dealer invoice showing the itemized options and equipment in addition to the total retail price of the vehicle.
2. The applicant has been insured for three years or longer, without interruption, under a motor vehicle liability policy or policies which include(s) physical damage coverage, issued by the insurer to which the application is submitted; or any applicant involuntarily transferred to another insurer due to the applicant's original insurer's withdrawal from the Commonwealth if the applicant otherwise qualifies under this regulation.
3. An inspection is waived by the insurer.
4. Any private passenger motor vehicle not owned by the applicant, which is used by the applicant, with the permission of the owner, as a temporary substitute due to breakdown, repair, servicing, loss or destruction of the applicant's own motor vehicle.
5. A motor vehicle which is leased less than six months, provided the insurer receives the lease or rental agreement containing a description of the leased motor vehicle, including its condition.
6. When requiring an inspection would cause a serious hardship to the insurer or the applicant and such hardship is documented in the applicant's policy record.
7. When the insurer has no inspection facility or authorized representative either in the city or town in which the motor vehicle is principally garaged or within five miles of said city or town.

**Waiver of Inspection**

An inspection may be waived if:

1. The motor vehicle is ten or more model years older for all policies issued or renewed during the current calendar year.  
  
Example: For policies issued or renewed during calendar year 2005, inspection of all 1995 and older model year vehicles may be waived.
2. A non-owned vehicle is insured under a policy providing physical damage coverage issued by an insurer which has inspected such motor vehicle in accordance with the provisions of this regulation.
3. A producer is transferring a book of business from one insurer to one or more insurers.
4. An individual applicant's coverage is being transferred by an independent insurance producer to a new insurer and said producer provides the new insurer with a copy of the inspection report completed on behalf of the previous insurer, provided the independent producer represents both insurers, and the insured vehicle was physically inspected by the previous insurer. However, if the new insurer does not receive a copy of the

inspection report sixty days prior to the first annual date, the insurer must, upon renewal of the physical damage insurance, require an inspection.

5. When a motor vehicle is insured for physical damage on the applicant's expiring Massachusetts Automobile Insurance Policy, or when a copy of a prior Pre-insurance Inspection is provided.
6. When the applicant has been a customer of the producer for at least three years under a Massachusetts Automobile insurance Policy which included physical damage coverage.

### **Deferral of Inspection**

An insurer may defer an inspection for ten calendar days (not including legal holidays and Sundays) following the effective date of coverage on new business and on additional or replacement vehicles to an existing policy, if an inspection at the time of the request for coverage would create a serious inconvenience for the applicant.

Whenever an inspection is deferred, the Notice of Mandatory Pre-Insurance Inspection Requirement (Form B) or the Acknowledgment of Requirement for Pre-Insurance Inspection (Form D) must be used in accordance with the Regulation.

If an inspection is not conducted within the ten day deferral period, physical damage coverage is automatically suspended on the day following the ten day deferral period.

Coverage may be reinstated to be effective at the time of inspection or, in accordance with the Regulation, the Notice of Suspension of Physical Damage Coverage (Form C) must be used.

### **Inspection Procedures**

Inspections required or permitted shall be made by a designated authorized representative of the insurer at a time and place reasonably convenient to the applicant.

The inspection shall be recorded on the prescribed Motor Vehicle Pre-Insurance Inspection Report (Form A) and include appropriate photos as required under the Regulation.

The insurer must retain the original report and photographs for three years except as provided by the Regulation.

The insurers shall maintain an up-to-date list of all its authorized representatives and inspection sites.

### **RULE 56. MERIT RATING PLAN**

The merit rating plan is adapted from the 2006 Safe Driver Insurance Plan and additional information can be found in 211 CMR 134.00 and the administrative procedures of the Merit Rating Board.

#### **Driving Record/Experience Period**

Each listed operator on a policy is assigned merit rating code based on the operator's driving record and reported to the company by the Merit Rating Board. The merit rating code reflects the number, type, and age of at-fault accidents and traffic violations during the policy experience period. The policy experience period is the six year period immediately preceding the effective date of the policy. At-fault accidents or traffic violations that occurred more than five years prior to the policy effective date are not considered in the determination of the merit rating code.

#### **Operators New to Massachusetts**

If an application for insurance indicates that an operator new to Massachusetts was licensed outside of Massachusetts within the last six years or such operator is being added to an existing policy, the operator's policy experience period will begin as of the effective date of that policy until the company receives an authorized inquiry response from the Merit Rating Board indicating the operator's merit rating code.

If an operator's Motor Vehicle Report (MVR) is electronically available, the company will be responsible for obtaining it from the state or country where the operator was licensed. Driving history on MVRs obtained from more than one state or country will be combined by the company and considered as one report. An acceptable MVR must have three years or more driving history, unless the operator has been licensed less than three years. If there are no motor vehicle violations or at-fault accidents shown on the MVR, the company will submit a policy inquiry to the Merit Rating Board in compliance with its Administrative Procedures. An operator's MVR with motor vehicle violations or

at-fault accidents must be submitted to the Merit Rating Board. The Merit Rating Board will determine the operator's merit rating code.

If an operator's MVR is not electronically available, the policy experience period for the operator will begin as of the effective date of the policy until the company receives an authorized inquiry response from the Merit Rating Board with the operator's actual merit rating code. The operator may obtain an official driving record or a record from a previous insurer and submit it to the company. If the driving record is not in English, a translation certified as true and correct by the translator must be obtained by the operator and attached to the driving record submitted to the company. An acceptable driving record must have three or more years driving history, unless the operator has been licensed less than three years. If there are no motor vehicle violations or at-fault accidents shown on the operator's record, the company will submit a policy inquiry to the Merit Rating Board in compliance with its Administrative Procedures. An operator's record with motor vehicle violations or at-fault accidents will be submitted to the Merit Rating Board. The Merit Rating Board will determine the operator's merit rating code.

### Determination of Merit Rating Code

Points are assigned to an operator for each of the following at-fault accidents and traffic violations occurring during the five years immediately preceding the effective date of the policy:

Minor traffic law violation	2 points	Major at-fault accident	4 points
Minor at-fault accident	3 points	Major traffic law violation	5 points

An "at-fault" accident is one in which the company determines that the involved operator is more than 50% at fault. An at-fault accident is defined as minor only if it resulted in a claim payment for bodily injury liability, damage to someone else's property, collision or limited collision of at least \$500 and up to \$2,000. An at-fault accident is defined as major only if it resulted in a claim payment of more than \$2,000.

If the most recent at-fault accident or traffic violation occurred less than three years prior to the policy effective date, the operator's merit rating code will equal the sum of the points accumulated for at-fault accidents and traffic violations that occurred during the five years immediately preceding the effective date of the policy. If the most recent at-fault accident or traffic violation occurred more than three years prior to the policy effective date, and the number of at fault accidents or traffic violations in the past five years is three or less, the operator's merit rating code is equal to the sum of the points accumulated for at-fault accidents or traffic violations that occurred during the five years immediately preceding the effective date of the policy minus the total number of at-fault accidents or traffic violations that occurred during that same time period. In no event shall the points for any at-fault accident or traffic violation be reduced below zero.

Points are not assigned to a non-criminal minor motor vehicle traffic law violation if it is the first such violation.

If there are no at-fault accidents or traffic violations attributable to an operator during the six years immediately preceding the policy effective date, the operator's merit rating code is 99. If there are no at-fault accidents or traffic violations attributable to an operator during the five years immediately preceding the policy effective date, the operator's merit rating code is 98.

In determining the merit rating adjustment for motorcycles, the merit rating code for a motorcycle operator is the merit rating code otherwise determined unless the operator is classified as inexperienced under Rule 44 and the otherwise applicable merit rating code for the operator is 98 or 99. The motorcycle rating code will be determined as follows:

Number of Years Motorcycle Experience	Operator Merit Rating Code	Motorcycle Merit Rating Code
5 but less than 6	99	98
	98	98
<5	99	00
	98	00

### Calculation of the Merit Rating Adjustment

The merit rating adjustment is the last step in the rating process after all discounts and rating factors have been applied to the rate. The merit rating adjustment is determined by multiplying the otherwise applicable premium for Compulsory Bodily Injury (Part 1), PIP (Part 2), Property Damage (Part 4), Optional Bodily Injury to Others (Part 5) and Collision (Part 7) by the merit rating percentage identified below.

Calculation of Merit Rate  
Percentages to Apply to Otherwise Applicable Premiums

Merit Rating Code	<u>Experienced Operators</u> (Rate Class 10, 15 or 30)		<u>Inexperienced Operators</u> (All Other Rate Classes)	
	<u>Parts 1, 2, 4 and 5</u>	<u>Part 7</u>	<u>Parts 1, 2, 4, and 5</u>	<u>Part 7</u>
	99	-17.0%	-17.0%	NA
98	-7.0%	-7.0%	-7.0%	7.0%
0	0%	0%	0%	0%
1	15.0%	15.0%	7.5%	7.5%
2	30.0%	30.0%	15.0%	15.0%
3	45.0%	45.0%	22.5%	22.5%
4	60.0%	60.0%	30.0%	30.0%
5	75.0%	75.0%	37.5%	37.5%
6	90.0%	90.0%	45.0%	45.0%
7	105.0%	105.0%	52.5%	52.5%
8	120.0%	120.0%	60.0%	60.0%
9	135.0%	135.0%	67.5%	67.5%
10	150.0%	150.0%	75.0%	75.0%
11	165.0%	165.0%	82.5%	82.5%
12	180.0%	180.0%	90.0%	90.0%
13	195.0%	195.0%	97.5%	97.5%
14	210.0%	210.0%	105.0%	105.0%
15	225.0%	225.0%	112.5%	112.5%
16	240.0%	240.0%	120.0%	120.0%
17	255.0%	255.0%	127.5%	127.5%
18	270.0%	270.0%	135.0%	135.0%
19	285.0%	285.0%	142.5%	142.5%
20	300.0%	300.0%	150.0%	150.0%
21	315.0%	315.0%	157.5%	157.5%
22	330.0%	330.0%	165.0%	165.0%
23	345.0%	345.0%	172.5%	172.5%
24	360.0%	360.0%	180.0%	180.0%
25	375.0%	375.0%	187.5%	187.5%
26	390.0%	390.0%	195.0%	195.0%
27	405.0%	405.0%	202.5%	202.5%
28	420.0%	420.0%	210.0%	210.0%
29	435.0%	435.0%	217.5%	217.5%
30	450.0%	450.0%	225.0%	225.0%
31	465.0%	465.0%	232.5%	232.5%



32	480.0%	480.0%	240.0%	240.0%
33	495.0%	495.0%	247.5%	247.5%
34	510.0%	510.0%	255.0%	255.0%
35	525.0%	525.0%	262.5%	262.5%
36	540.0%	540.0%	270.0%	270.0%
37	555.0%	555.0%	277.5%	277.5%
38	570.0%	570.0%	285.0%	285.0%
39	585.0%	585.0%	292.5%	292.5%
40	600.0%	600.0%	300.0%	300.0%
41	615.0%	615.0%	307.5%	307.5%
42	630.0%	630.0%	315.0%	315.0%
43	645.0%	645.0%	322.5%	322.5%
44	660.0%	660.0%	330.0%	330.0%
45	675.0%	675.0%	337.5%	337.5%



**RULE 57. RESERVED FOR FUTURE USE****RULE 58. REGISTRY OF MOTOR VEHICLES PROCEDURES**

The following is a general summary of Registry of Motor Vehicles procedures. For specific details about procedures, contact the Registry.

**Registration Requirements**

Registration is required for all vehicles and trailers. A complete "RMV-1" form must be submitted, along with the previous owner's title or certificate of origin, or a bill of sale for a vehicle that has not been titled previously.

Six to eight weeks prior to the expiration date of registration, the Registry will mail an "RMV-2" renewal card, which will show the current registration data for the owner of the vehicle and the vehicle. Certain changes may be made by the owner on the application.

An "RMV-3" Amendment of Registration form may be used to change information on a current registration, renew a current registration if an "RMV-2" form has not been received, swap from one license plate to another type of plate, such as a vanity plate, and re-register a vehicle for the same owner, if a new title is not required.

**Registration Transfer**

Valid plates from a previously-owned vehicle may be transferred to a newly acquired vehicle provided the owner is at least eighteen and has lost possession of the vehicle through either a transfer of ownership or sale of the vehicle.

An owner has seven (7) calendar days to operate a newly acquired vehicle with current plates before the transfer is processed at the Registry, and the intent of the owner is to transfer the registration from the previous vehicle to a newly acquired vehicle of the same type.

Restrictions on a registration transfer are: the owner must be the same on both vehicles, the transferred registration must be active, and the new vehicle must have the same type of plate.

**Salvage Title**

All vehicles for which an insurance company has made a total loss payment must be titled as a salvage vehicle except for vehicles 10 years or older. A vehicle which has a Salvage Title may not be provided with physical damage insurance until a new Certificate of Title is issued by the Registry. The Reconstructed or Recovered Theft Title will be awarded after the vehicle has passed a salvage inspection. The vehicle must be either towed to the salvage inspection site or a repair plate must be attached.

**PRIVATE PASSENGER ENDORSEMENTS  
ALPHABETICAL INDEX**

<u>TITLE</u>	<u>AIB FORM NO.</u>
Agreed Amount – Comprehensive	MPY-0034-S (Ed. 04-08)
Antique Auto	M-0047-S (Ed. 04-08)
Coverage for Anyone Renting An Auto To You	M-0070-S (Ed. 04-08)
Coverage for Customized Vans and Pickups	MPY-0037-S (Ed. 04-08)
Excess Electronic Equipment Coverage	MPY-0041-S (Ed. 04-08)
\$100 Glass Deductible	MPY-0039-S (Ed. 04-08)
Guest Occupants Exclusion – Motorcycles	M-0002-S (Ed. 04-08)
Non-Renewal of Policy – Motorcycles, Recreational Vehicles and Trailers	M-0103-S (Ed. 04-08)
Operator Exclusion Form	M-0106-S (Ed. 04-08)
<del>Original Equipment Manufacturer Parts Coverage</del>	<del>MPY-0040-S (Ed. 04-08)</del>
Stated Amount Coverage	MPY-0027-S (Ed. 04-08)
<del>Prestige Auto Endorsement</del>	<del>102173 12-09 MA</del>
Suspension of Coverage - Reduction of Limits	MPY-0032-S (Ed. 04-08)
Transportation of Fellow Employees, Students or Others	M-0004-S (Ed. 04-08)
Use of Other Autos - Vehicles Furnished or Available for Regular Use	M-0051-S (Ed. 04-08)
Use of Other Autos - Vehicles Furnished or Available for Use As Public or Livery Conveyances	M-0052—S (Ed. 04-08)
Waiver of Deductible	MPY-0016-S (Ed. 04-08)

## PRIVATE PASSENGER FORMS

<u>Title</u>	<u>Edition</u>
Massachusetts Automobile Insurance Policy	2009 Ed.
Application for Massachusetts Motor Vehicle Insurance	2009 Ed.
Coverage Selections Page	2009 Ed.
Massachusetts Renewal Form	2009 Ed.
Annual Mileage Discount Form	2008 Ed.
Application for Benefits – Personal Injury Protection	
Massachusetts Motor Vehicle Liability Bond	
Notice of Cancellation of the Massachusetts Motor Vehicle Liability Policy	2009 Ed.
Notice of Non-Renewal of Your Massachusetts Automobile Insurance Policy	2009 Ed.
Notice of Transfer of Insurer	

**PERSONAL AUTO FORMS INDEX  
 (MASSACHUSETTS)**

For Vehicles Not Subject to the Compulsory Law

<b><u>Form Title</u></b> <b><u>Policy</u></b>	<b><u>Form Number and</u></b> <b><u>Edition Date</u></b>
PERSONAL AUTO POLICY	PP 00 01 01 05
AMENDMENT OF POLICY – MASSACHUSETTS	MP 00 99 11 01
<b><u>Endorsements</u></b>	
ADDITIONAL INSURED – LESSOR	PP 03 19 08 86
AUTO LOAN/LEASE COVERAGE	PP 03 35 09 93
CERTIFICATE OF INSURANCE – TRUSTS	PP 03 33 06 98
CHANGE ENDORSEMENT	PP 03 10 08 86
COVERAGE FOR DAMAGE TO YOUR AUTO (MAXIMUM LIMIT OF LIABILITY)	PP 03 08 06 94
COVERAGE FOR DAMAGE TO YOUR AUTO EXCLUSION ENDORSEMENT	PP 13 01 12 99
CUSTOMIZING EQUIPMENT COVERAGE	PP 03 18 01 05
EXCESS ELECTRONIC EQUIPMENT COVERAGE	PP 03 13 01 05
EXTENDED NON-OWNED COVERAGE FOR VEHICLES FURNISHED OR AVAILABLE FOR REGULAR USE	PP 03 06 01 05
EXTENDED NON-OWNED COVERAGE – VEHICLES FURNISHED OR AVAILABLE FOR USE AS A PUBLIC OR LIVERY CONVEYANCE	PP 13 05 01 05
FEDERAL EMPLOYEES USING AUTOS IN GOVERNMENT BUSINESS	PP 03 01 08 86
JOINT OWNERSHIP COVERAGE	PP 03 34 01 05
LIABILITY COVERAGE EXCLUSION ENDORSEMENT	PP 03 26 06 94
LIMITED MEXICO COVERAGE	PP 03 21 01 05
MISCELLANEOUS TYPE VEHICLE AMENDMENT (MOTOR HOMES)	PP 03 28 06 98
MISCELLANEOUS TYPE VEHICLE ENDORSEMENT	PP 03 23 01 05
NAMED NON-OWNER COVERAGE	PP 03 22 01 05
OPTIONAL LIMITS TRANSPORTATION EXPENSES COVERAGE	PP 03 02 06 98
REINSTATEMENT OF INSURANCE	PP 02 02 08 86
SINGLE LIABILITY LIMIT	PP 03 09 01 05
SINGLE UNDERINSURED MOTORISTS LIMIT	PP 04 02 06 98
SINGLE UNINSURED MOTORISTS LIMIT	PP 04 01 06 98
SNOWMOBILE ENDORSEMENT	PP 03 20 01 05
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