

MASSACHUSETTS
PRIVATE PASSENGER AUTOMOBILE MANUAL

Effective **JULY 1, 2015**

RULE 56. MERIT RATING PLAN

The merit rating plan is a Safe Driver Insurance Plan (SDIP).

Adjustments/Experience Period

Each listed operator on a policy is assigned a code based on the operator's driving history record. A percentage associated with the code is applied to the otherwise applicable premium that reflects the number, type, and age of chargeable incidents during the Policy Experience Period. The percentage can be either positive or negative. A negative percentage is either the Excellent Driver Discount, Code 98, awarded to operators with Incident-Free Periods of more than five but less than six years, or the Excellent Driver Discount Plus, Code 99, awarded to operators with Incident-Free Periods of at least six years. The Experience Period is the six year period immediately preceding the effective date of the policy. Additional codes will range from 0 to 45. The Merit Rating Board will compute and report to the Insurer the code for each listed operator.

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 Amica receives an authorized inquiry response from the Merit Rating Board indicating the operator's 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 must 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 must 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 will be submitted to the Merit Rating Board. The Merit Rating Board will determine the operator's code.

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Determination of Codes

Points are assigned to an operator for each of the following at-fault accidents and traffic violations that occurred 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

For accidents before July 1, 2015, a claim payment for Bodily Injury Liability, Damage to Someone Else's Property, Collision or Limited Collision of more than \$500 and up to \$2,000 constitutes a minor at-fault accident. A claim payment of more than \$2,000 constitutes a major at-fault accident. An "at-fault" accident is one in which the company determines that the listed operator is more than 50% at fault.

For accidents on or after July 1, 2015, a claim payment for Bodily Injury Liability, Damage to Someone Else's Property, Collision or Limited Collision of more than \$1,000 and up to \$5,000 constitutes a minor at-fault accident. A claim payment of more than \$5,000 constitutes a major at-fault accident. An "at-fault" accident is one in which the company determines that the listed operator is more than 50% at fault.

The code is determined by summing all applicable points associated with an operator.

Points are not assigned to a non-criminal minor motor vehicle traffic law violation if it is the first such violation or if it occurs in the sixth (oldest) year in the operator's six year Policy Experience Period.

Calculation of the Adjustment

The percentage is applied to Compulsory Bodily Injury (Part 1), PIP (Part 2), Property Damage (Part 4) and Collision (Part 7).

The premium adjustment is the last step in the rating process and prior to the addition of optional endorsements, after all discounts and rating factors have been completed.

See Rule 26 to determine the applicable range for each driver. Range 7 factors apply for miscellaneous types.

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	<u>Experienced Operators</u>	<u>Inexperienced Operators</u>
	<u>Reductions</u>	<u>Reductions</u>
Excellent Driver Discount Plus (6 Years Incident-Free)	See rate pages for merit factor	See rate pages for merit factor
Excellent Driver Discount (5 Years Incident-Free)	See rate pages for merit factor	See rate pages for merit factor
	<u>Adjustments</u>	<u>Adjustments</u>
Number of Adjustments X	See rate pages for merit factor	See rate pages for merit factor

The code is based on the Incident Free Period. When the Incident Free Period is less than or equal to three, the code applicable to the operator shall be the sum of the points identified for each chargeable Incident in the Policy Experience Period. When the Incident Free Period is greater than three and the total number of chargeable Incidents in the most recent five years of the Policy Experience Period is three or less, the points applicable to each incident shall be reduced by one. In no event shall the adjustments for any single incident result in a negative percentage.

Assignment of Operators to Vehicles

The assignment of operators to vehicles is made in accordance with the provisions of Rule 28.

Excellent Driver Discount and Excellent Driver Discount Plus

A percentage value will reflect the lower expected loss experience of operators with incident-free periods of more than five and less than six, and of at least six years, respectively, which may vary according to the affected Liability and Collision coverages, irrespective of the class and territory of the policy.

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Effective ~~SEPTEMBER 1, 2014~~ JULY 1, 2015

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Operators New to Massachusetts

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If there are no motor vehicle violations or at-fault accidents shown on the operator's record, Amica 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 must be submitted to the Merit Rating Board. The Merit Rating Board will determine the operator's code.

Determination of Codes

Points are assigned to an operator for each of the following at-fault accidents and traffic violations that occurred 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

For accidents on or after July 1, 2015, a claim payment for Bodily Injury Liability, Damage to Someone Else's Property, Collision or Limited Collision of more than \$500 and up to \$2,000 constitutes a minor at-fault accident. A claim payment of more than \$2,000 constitutes a major at-fault accident. An "at-fault" accident is one in which the company determines that the listed operator is more than 50% at fault.

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The code is determined by summing all applicable points associated with an operator.

Points are not assigned to a non-criminal minor motor vehicle traffic law violation if it is the first such violation or if it occurs in the sixth (oldest) year in the operator's six year Policy Experience Period.

Calculation of the Adjustment

The percentage is applied to Compulsory Bodily Injury (Part 1), PIP (Part 2), Property Damage (Part 4) and Collision (Part 7).

The premium adjustment is the last step in the rating process and prior to the addition of optional endorsements, after all discounts and rating factors have been completed.

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Number of Adjustments X	See rate pages for merit factor	See rate pages for merit factor

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Assignment of Operators to Vehicles

The assignment of operators to vehicles is made in accordance with the provisions of Rule 28.

Excellent Driver Discount and Excellent Driver Discount Plus

A percentage value will reflect the lower expected loss experience of operators with incident-free periods of more than five and less than six, and of at least six years, respectively, which may vary according to the affected Liability and Collision coverages, irrespective of the class and territory of the policy.

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Determination of Codes

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

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

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for merit factor

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	<u>Adjustments</u>	<u>Adjustments</u>

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Number of Adjustments	X	See rate pages for merit factor	See rate pages for merit factor
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