

Accident Forgiveness

This endorsement provides forgiveness of SDIP premium costs relating to one at-fault accident caused by an Experienced Operator. SDIP points usually do not affect premium until the policy is renewed and this endorsement only provides forgiveness if purchased before the at-fault accident occurred and remains on your policy upon renewal. The SDIP premium costs relating to the at-fault accident will remain forgiven for as long as this endorsement remains on the policy and for as long as this policy is insured (without interruption) with Arbella. If this endorsement is removed, or if the policy term is interrupted during those times, the at-fault accident is no longer forgiven.

The following terms and conditions must be met for this endorsement to apply:

- 1) For this endorsement, Experienced Operator(s) shall mean a driver licensed for six (6) or more years having an SDIP of 99, as returned by the Massachusetts Merit Rating Board, and who is listed on the Coverage Selections Page as an operator.
- 2) For this endorsement, at-fault accident(s) shall mean any accident where a claim payment of at least \$500 was made, in excess of any deductible, and where Arbella has determined that the operator was more than 50% at-fault.
- 3) At the time this endorsement is initially purchased, there is at least one experienced operator listed on the policy and all experienced operators listed on the policy have a SDIP designation of 99.
- 4) Forgiveness applies to an at-fault accident caused by an Experienced Operator following the purchase of this endorsement. Only at-fault accidents caused by Experienced Operators using the vehicle(s) listed on the coverage selections page are eligible for forgiveness. Any at-fault accidents caused by any other listed operators (for example a driver with an SDIP of 98) do not qualify for forgiveness. If a policy qualifies for forgiveness and is endorsed to add an operator with a merit rating code of 98 or 0-45, the added operator will be assigned those points and accidents by them will not be forgiven. At-fault accidents involving deferred or excluded operators will not be waived under this endorsement.
- 5) The at-fault accident was reported to us promptly.
- 6) There are no other accidents being forgiven on the policy. In the event an accident being forgiven during a term is no longer subject to rating under the company's SDIP (for example, 6 years has passed since the at-fault accident occurred), the next qualifying at-fault accident will receive forgiveness upon renewal of the policy, subject to the terms and conditions of this endorsement. Only one endorsement can apply to a policy and only one accident will be forgiven regardless of the number of operators insured under this policy.
- 7) If any other at-fault accident occurs while an accident is being forgiven, the other at-fault accident(s) will be reflected in the premium based on the company's filed SDIP.
- 8) Moving violations of any kind are not eligible for forgiveness.
- 9) A forgiven accident is still considered a loss for the purpose of applying other provisions of the company's rating plan and may affect underwriting placement or eligibility.

RULE 35. ACCIDENT FORGIVENESS

Accident Forgiveness provides forgiveness of the SDIP points relating to one at-fault accident caused by an Experienced Operator with a current SDIP designation of 99. The premium cost relating to the at-fault accident under Rule 56 will remain forgiven for as long as this endorsement remains on the policy and for as long as this policy is insured with Arbella or until it is no longer ratable under the provisions set forth in Rule 56. Following the purchase of this endorsement, SDIP points will not be rated if the following conditions are met:

- 1) There is at least one experienced operator listed on the policy and all experienced operators listed on the policy have a SDIP designation of 99.
- 2) The at-fault accident was caused by an Experienced Operator.
- 3) The at-fault accident involved using one of the vehicles listed on the coverage selections page.
- 4) The driver of the vehicle involved in the at-fault accident is not deferred or excluded.
- 5) The at-fault accident occurred after the initial purchase of the endorsement.
- 6) The at-fault accident was reported to us promptly.
- 7) There are no other accidents being forgiven on the policy.
- 8) In the event an accident being forgiven during a term is no longer ratable under Rule 56, the next qualifying at-fault accident will receive forgiveness upon renewal of the policy, subject to the terms and conditions of the endorsement. Only one endorsement can apply to a policy and only one accident will be forgiven.

If any other at-fault accident occurs while an accident is being forgiven, the other at-fault accident(s) will be subject to rating under the provisions of Rule 56. Moving violations of any kind are not eligible for forgiveness. A forgiven accident is still considered a loss for the purpose of applying other provisions of the company's rating plan and may affect underwriting, placement or eligibility.

Refer to the Miscellaneous Rating Factors page for the applicable per policy charge.

Use form number 10AR 1273.

RULE 56. SAFE DRIVER INSURANCE PLAN**Driving Experience/Experience Period**

Each listed operator on a policy is assigned a merit rating based on the operator's driving record. The merit rating adjustment is a percentage multiplied by the otherwise applicable premium that reflects the number, type, and age of at fault accidents and traffic violations of other operator during the policy experience period. The percentage can be either positive or negative. The policy experience period is the six years 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 rate adjustment. The merit rating adjustment will be determined based on the merit rating code reported to us by the Merit Rating Board

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 Arbella 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, Arbella 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 Arbella 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, Arbella will submit an SDIP 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 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 Arbella 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 Arbella. 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 Arbella. 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, Arbella will submit an SDIP 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 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

An "at-fault" accident is one in which Arbella 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.

Calculation of the Merit Rate

The merit rating adjustment is multiplied by the otherwise applicable premium for Bodily Injury (Part 1), PIP (Part 2), Property Damage (Part 4), Optional Bodily Injury (Part 5) and Collision (Part 7).

The merit rate adjustment is the last step in the rating process after all discounts and rating factors have been applied to the rate.

Safe Drive Insurance Plan

Calculation of Merit Rating Adjustments
Percentages to Apply to Otherwise Applicable Premiums *

Part 7	<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%	17%	NA	NA
98	7%	7%	7%	7%
0	0%	0%	0%	0%
1	15%	15%	7.5%	7.5%
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

Total merit rate adjustment is determined by multiplying the above percentages (for the appropriate points) to premiums by coverage (after all other applicable discounts and rating factors have been applied), rounding to the nearest whole dollar amount, and then summing the results for all coverages.

INCREASED LIMITS TABLES AND IMPLICIT SURCHARGE EXCLUSION FACTORS

Unless otherwise specified, the basic limits rates shown on the rate pages are for \$20,000/\$40,000 bodily injury (Parts 1 and 5) and \$5,000 property damage (Part 4). The charge for bodily injury increased limits is determined by applying the factors shown on the Increased Limits Tables to the total of the adjusted Part 1 premium and Part 5 basic limits premium and then subtracting the adjusted Part 1 premium.

Adjusted Part 1 premium is determined by applying the Implicit Surcharge Exclusion Factor to the Part 1 premium appearing in the Rate Pages for the particular territory and operator classification. The result should be rounded to the nearest whole dollar amount only after all calculations have been completed.

<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	1.018	1.178	1.117	1.061	1.051	1.061	1.051	1.100
2	1.025	1.167	1.108	1.064	1.048	1.064	1.048	1.119
3	1.021	1.178	1.115	1.066	1.049	1.066	1.049	1.102
4	1.014	1.170	1.107	1.067	1.049	1.067	1.049	1.094
5	1.032	1.176	1.128	1.070	1.052	1.070	1.052	1.129
6	1.034	1.176	1.114	1.071	1.051	1.071	1.051	1.113
7	1.034	1.173	1.131	1.070	1.053	1.070	1.053	1.124
8	1.040	1.170	1.118	1.067	1.052	1.067	1.052	1.139
9	1.045	1.167	1.135	1.069	1.055	1.069	1.055	1.145
10	1.027	1.171	1.134	1.069	1.053	1.069	1.053	1.107
11	1.043	1.126	1.093	1.063	1.041	1.063	1.041	1.138
12	1.048	1.148	1.118	1.067	1.054	1.067	1.054	1.185
13	1.061	1.161	1.138	1.070	1.055	1.070	1.055	1.144
14	1.072	1.145	1.110	1.067	1.047	1.067	1.047	1.200
15	1.065	1.142	1.140	1.072	1.058	1.072	1.058	1.156
16	1.092	1.132	1.102	1.055	1.054	1.055	1.054	1.219
17	1.038	1.119	1.079	1.067	1.038	1.067	1.038	1.162
18	1.088	1.149	1.136	1.054	1.051	1.054	1.051	1.227
19	1.076	1.147	1.087	1.067	1.052	1.067	1.052	1.170
20	1.103	1.158	1.150	1.063	1.044	1.063	1.044	1.150
21	1.119	1.155	1.122	1.063	1.057	1.063	1.057	1.183
22	1.138	1.146	1.104	1.057	1.064	1.057	1.064	1.294
23	1.054	1.101	1.092	1.050	1.050	1.050	1.050	1.111
24	1.072	1.094	1.089	1.041	1.033	1.041	1.033	1.250
25	1.057	1.124	1.149	1.064	1.047	1.064	1.047	1.132
26	1.061	1.137	1.073	1.061	1.048	1.061	1.048	1.131
27	1.013	1.169	1.114	1.065	1.048	1.065	1.048	1.089
40	1.025	1.126	1.125	1.057	1.066	1.057	1.066	1.051
41	1.056	1.137	1.110	1.062	1.051	1.062	1.051	1.177
42	1.036	1.143	1.111	1.058	1.048	1.058	1.048	1.088
43	1.085	1.161	1.134	1.059	1.046	1.059	1.046	1.154
44	1.061	1.111	1.104	1.048	1.047	1.048	1.047	1.196
45	1.088	1.182	1.148	1.071	1.058	1.071	1.058	1.148

Motorcycles..... All Territories 1.000

INCREASED LIMITS TABLES							
	<u>Damage to Someone Else's Property</u>						
Limit:	\$5,000	\$10,000	\$15,000	\$25,000	\$35,000	\$50,000	\$100,000
Factor:	1.000	1.204	1.220	1.242	1.254	1.265	1.280
	<u>Bodily Injury to Others</u>						
Limits:	20/40	20/50	25/50	25/60	35/80	50/100	100/100
Factor:	1.00	1.01	1.05	1.06	1.16	1.27	1.46
Limits:	100/200	100/300	200/400	250/500	250/1000	300/500	500/500
Factor:	1.47	1.48	1.80	1.90	1.95	2.13	2.79
Limits:	500/1000						
Factor:	2.83						

RULE 56. SAFE DRIVER INSURANCE PLAN**Driving Experience/Experience Period**

Each listed operator on a policy is assigned a merit rating based on the operator's driving record. The merit rating adjustment is a percentage multiplied by the otherwise applicable premium that reflects the number, type, and age of at fault accidents and traffic violations of other operator during the policy experience period. The percentage can be either positive or negative. The policy experience period is the six years 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 rate adjustment. The merit rating adjustment will be determined based on the merit rating code reported to us by the Merit Rating Board.

Accident Forgiveness

Accidents used in the computation of the Operator Adjustment Factor will not include those that have been forgiven, consistent with Rule 35 – Accident Forgiveness.

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 Arbella 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, Arbella 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 Arbella 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, Arbella will submit an SDIP 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 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 Arbella 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 Arbella. 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 Arbella. 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, Arbella will submit an SDIP 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 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

An "at-fault" accident is one in which Arbella 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.

Calculation of the Merit Rate

The merit rating adjustment is multiplied by the otherwise applicable premium for Bodily Injury (Part 1), PIP (Part 2), Property Damage (Part 4), Optional Bodily Injury (Part 5) and Collision (Part 7).

The merit rate adjustment is the last step in the rating process after all discounts and rating factors have been applied to the rate.

RULE 56. SAFE DRIVER INSURANCE PLAN**Driving Experience/Experience Period**

Each listed operator on a policy is assigned a merit rating based on the operator's driving record. The merit rating adjustment is a percentage multiplied by the otherwise applicable premium that reflects the number, type, and age of at fault accidents and traffic violations of other operator during the policy experience period. The percentage can be either positive or negative. The policy experience period is the six years 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 rate adjustment. The merit rating adjustment will be determined based on the merit rating code reported to us by the Merit Rating Board.

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Calculation of the Merit Rate

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The merit rate adjustment is the last step in the rating process after all discounts and rating factors have been applied to the rate.

ARBELLA MUTUAL MASSACHUSETTS PRIVATE PASSENGER AUTOMOBILE INSURANCE RULES/RATES MANUAL

FIRE, THEFT AND COMBINED ADDITIONAL COVERAGE (RULE 21)

	<u>Actual Cash Value</u>
Fire	10% of Comprehensive Premium
Fire & Theft	70% of Comprehensive Premium
Fire, Theft & C.A.C.	85% of Comprehensive Premium

PERSONAL INJURY PROTECTION – DEDUCTIBLE (RULE 30)

DEDUCTIBLE:	\$100	\$250	\$500	\$1,000	\$2,000	\$4,000	\$8,000
Policyholder - Alone:	2%	4%	8%	14%	26%	37%	45%
Policyholder and Household Members:	2%	5%	10%	19%	35%	48%	59%

TOWING AND LABOR (RULE 33)

Private Passenger and Motorcycle:	\$50 per Disablement \$8	\$100 per Disablement \$16
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EXCESS ELECTRONIC EQUIPMENT COVERAGE (RULE 46)

Apply a rate of \$4 to each \$100 of valuation.

CUSTOMIZING EQUIPMENT - STATED AMOUNT COVERAGE (RULE 47)

Refer to Rule 47

POOR PAYMENT HISTORY FACTOR (RULE 48)

Apply a factor of 1.05

ARBELLA MUTUAL MASSACHUSETTS PRIVATE PASSENGER AUTOMOBILE INSURANCE RULES/RATES MANUAL

FIRE, THEFT AND COMBINED ADDITIONAL COVERAGE (RULE 21)

	<u>Actual Cash Value</u>
Fire	10% of Comprehensive Premium
Fire & Theft	70% of Comprehensive Premium
Fire, Theft & C.A.C.	85% of Comprehensive Premium

PERSONAL INJURY PROTECTION – DEDUCTIBLE (RULE 30)

DEDUCTIBLE:	\$100	\$250	\$500	\$1,000	\$2,000	\$4,000	\$8,000
Policyholder - Alone:	2%	4%	8%	14%	26%	37%	45%
Policyholder and Household Members:	2%	5%	10%	19%	35%	48%	59%

TOWING AND LABOR (RULE 33)

Private Passenger and Motorcycle:	\$50 per Disablement \$8	\$100 per Disablement \$16
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ACCIDENT FORGIVENESS (RULE 35)

\$45

EXCESS ELECTRONIC EQUIPMENT COVERAGE (RULE 46)

Apply a rate of \$4 to each \$100 of valuation.

CUSTOMIZING EQUIPMENT - STATED AMOUNT COVERAGE (RULE 47)

Refer to Rule 47

POOR PAYMENT HISTORY FACTOR (RULE 48)

Apply a factor of 1.05

ARBELLA MUTUAL MASSACHUSETTS PRIVATE PASSENGER AUTOMOBILE INSURANCE RULES/RATES MANUAL

FIRE, THEFT AND COMBINED ADDITIONAL COVERAGE (RULE 21)

	<u>Actual Cash Value</u>
Fire	10% of Comprehensive Premium
Fire & Theft	70% of Comprehensive Premium
Fire, Theft & C.A.C.	85% of Comprehensive Premium

PERSONAL INJURY PROTECTION – DEDUCTIBLE (RULE 30)

DEDUCTIBLE:	\$100	\$250	\$500	\$1,000	\$2,000	\$4,000	\$8,000
Policyholder - Alone:	2%	4%	8%	14%	26%	37%	45%
Policyholder and Household Members:	2%	5%	10%	19%	35%	48%	59%

TOWING AND LABOR (RULE 33)

Private Passenger and Motorcycle:	\$50 per Disablement \$8	\$100 per Disablement \$16
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ACCIDENT FORGIVENESS (RULE 35)

\$45

EXCESS ELECTRONIC EQUIPMENT COVERAGE (RULE 46)

Apply a rate of \$4 to each \$100 of valuation.

CUSTOMIZING EQUIPMENT - STATED AMOUNT COVERAGE (RULE 47)

Refer to Rule 47

POOR PAYMENT HISTORY FACTOR (RULE 48)

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ARBELLA MUTUAL MASSACHUSETTS PRIVATE PASSENGER AUTOMOBILE INSURANCE RULES/RATES MANUAL

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DEDUCTIBLE:	\$100	\$250	\$500	\$1,000	\$2,000	\$4,000	\$8,000
Policyholder - Alone:	2%	4%	8%	15%	28%	40%	50%
Policyholder and Household Members:	2%	5%	11%	20%	37%	51%	64%

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 45 Agreed Amount Coverage - Comprehensive 27
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Rule No.

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**PRIVATE PASSENGER ENDORSEMENTS
ALPHABETICAL INDEX
January 1, 2011**

TITLE	FORM NO.
Accident Forgiveness	10AR 1273 (Ed. 01-11)
Agreed Amount - Comprehensive	MPY-0034-S (Ed. 01-83)
Antique Auto	200 M-0047-S (Ed. 01-89)
Arbella Customer Care Package Endorsement	10AR 1259 (Ed. 04/08)
Commonwealth of Massachusetts Employees Using Autos They Do Not Own in the Course of Their Employment	150M M-0069-S (Ed. 01-80)
Coverage for Anyone Renting An Auto To You	510S M-0070-S (Ed. 01-90)
Coverage for Customized Vans and Pickups	MPY-0037-S (Ed. 01-94)
Excess Electronic Equipment Coverage	MPY-0041-S (Ed. 01-03)
Federal Employees Using Autos They Do Not Own In The Course of Their Employment	150B M-0049-S (Ed. 01-77)
\$100 Glass Deductible	50 MPY-0039-S (Ed. 01-89)
Guest Occupants Exclusion	102 M-0002-S (Ed. 01-77)
Massachusetts Mandatory Endorsement	645 M-0099-S (Ed. 04-07)
Mobile Home Endorsement	78D MPY-0002-S (Ed. 01-77)
Non-Renewal of Policy - Motorcycles, Recreational Vehicles and Trailers	M-0103-S (Ed. 01-89)
Operator Exclusion Form	M-0106-S (Ed. 01-01)
Other Optional Insurance - Combined Additional Coverage	MPY-0031-S (Ed. 01-89)
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Other Optional Insurance - Theft	MPY-0029-S (Ed. 01-89)
Stated Amount Coverage	576 MPY-0027-S (Ed. 01-83)
Suspension of Coverage-Reduction of Limits	MPY-0032-S (Ed. 01-05)
Transportation of Fellow Employees, Students or Others	101 M-0004-S (Ed. 01-88)
Trust Endorsement	M-0107-S (Ed. 01-06)
Use of Other Autos Vehicles Furnished or Available for Regular Use	31 M-0051-S (Ed. 01-06)
Waiver of Deductible Endorsement	213 MPY-0016-S (Ed. 01-83)

**PRIVATE PASSENGER ENDORSEMENTS
ALPHABETICAL INDEX
April 1, 2008**

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RULE 26. CATEGORIES

For the purposes of this rule, the following definitions apply:

1. Operator – refers to any principal or occasional operator listed on the policy.
2. Loss – refers to any loss surcharged under Arbella's SDIP plan and any identifiable not at fault loss.
3. Not at-fault loss – refers to any identifiable, non-surchargable loss that is valued, net of salvage and subrogation, over \$1,000.

Each policy shall be assigned to a category in order to determine base rates and rating factors for that policy.

The determination of the appropriate category is based on objective, mutually exclusive and exhaustive criteria. The criteria used do not include sex, marital status, race, creed, national origin, religion, age, occupation, income, education, homeownership, rating territory or any credit information contained on a consumer report obtained from a consumer reporting agency.

The criteria considered are:

1. Single car or multi-car policy;
2. Existence of collision coverage;
3. Number of operators and number of vehicles on the policy;
4. Age of the policy;
5. Existence of losses and convictions on the policy;
6. Optional Bodily Injury Limits on the policy;
7. Prior term assigned category.

Policies are assigned to one of seven categories based on the evaluation of the above criteria. For any policy, it is possible to be assigned to one, and only one, category. Policies will be evaluated at policy inception and at each subsequent renewal. Due to underwriting review, the final category assigned to voluntary risks, may result in a lower category than the above criteria would indicate.

For Rates and Rating Factors applicable to each category, see Rate Section.

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2. Existence of collision coverage;
3. Number of operators and number of vehicles on the policy;
4. Age of the policy;
5. Existence of losses and convictions on the policy;
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7. Prior term assigned category.

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For Rates and Rating Factors applicable to each category, see Rate Section.

Accident Forgiveness

This endorsement provides forgiveness of SDIP premium costs relating to one at-fault accident caused by an Experienced Operator. Surcharge points usually do not affect premium until the policy is renewed and this endorsement only provides forgiveness if purchased before the at-fault accident occurred and remains on your policy upon renewal. The SDIP premium costs relating to the at-fault accident will remain forgiven for as long as this endorsement remains on the policy and for as long as this policy is insured (without interruption) with Arbella. If this endorsement is removed, or if the policy term is interrupted during those times, the at-fault accident is no longer forgiven.

The following terms and conditions must be met for this endorsement to apply:

- 1) For this endorsement, Experienced Operator(s) shall mean a driver licensed for six (6) or more years having an SDIP of 99, as returned by the Massachusetts Merit Rating Board, and who is listed on the Coverage Selections Page as an operator.
- 2) For this endorsement, at-fault accident(s) shall mean any accident where a claim payment of at least \$500 was made, in excess of any deductible, and where Arbella has determined that the operator was more than 50% at-fault.
- 3) At the time this endorsement is initially purchased, there is at least one experienced operator listed on the policy and all experienced operators listed on the policy have a SDIP designation of 99.
- 4) Forgiveness applies to an at-fault accident caused by an Experienced Operator following the purchase of this endorsement. Only at-fault accidents caused by Experienced Operators using the vehicle(s) listed on the coverage selections page are eligible for forgiveness. Any at-fault accidents caused by any other listed operators (for example a driver with an SDIP of 98) do not qualify for forgiveness. If a policy qualifies for forgiveness and is endorsed to add an operator with a merit rating code of 98 or 0-45, the added operator will be assigned those points and accidents by them will not be forgiven. At-fault accidents involving deferred or excluded operators will not be waived under this endorsement.
- 5) The at-fault accident was reported to us promptly.
- 6) There are no other accidents being forgiven on the policy. In the event an accident being forgiven during a term is no longer subject to rating under the company's SDIP (for example, 6 years has passed since the at-fault accident occurred), the next qualifying at-fault accident will receive forgiveness upon renewal of the policy, subject to the terms and conditions of this endorsement. Only one endorsement can apply to a policy and only one accident will be forgiven regardless of the number of operators insured under this policy.
- 7) If any other at-fault accident occurs while an accident is being forgiven, the other at-fault accident(s) will be reflected in the premium based on the company's filed SDIP.
- 8) Moving violations of any kind are not eligible for forgiveness.
- 9) A forgiven accident is still considered a loss for the purpose of applying other provisions of the company's rating plan and may affect underwriting placement or eligibility.

RULE 35. ACCIDENT FORGIVENESS

Accident Forgiveness provides forgiveness of the SDIP points relating to one at-fault accident caused by an Experienced Operator with a current SDIP designation of 99. The premium cost relating to the at-fault accident under Rule 56 will remain forgiven for as long as this endorsement remains on the policy and for as long as this policy is insured with Arbella or until it is no longer ratable under the provisions set forth in Rule 56. Following the purchase of this endorsement, SDIP points will not be rated if the following conditions are met:

- 1) There is at least one experienced operator listed on the policy and all experienced operators listed on the policy have a SDIP designation of 99.
- 2) The at-fault accident was caused by an Experienced Operator.
- 3) The at-fault accident involved using one of the vehicles listed on the coverage selections page.
- 4) The driver of the vehicle involved in the at-fault accident is not deferred or excluded.
- 5) The at-fault accident occurred after the initial purchase of the endorsement.
- 6) The at-fault accident was reported to us promptly.
- 7) There are no other accidents being forgiven on the policy.
- 8) In the event an accident being forgiven during a term is no longer ratable under Rule 56, the next qualifying at-fault accident will receive forgiveness upon renewal of the policy, subject to the terms and conditions of the endorsement. Only one endorsement can apply to a policy and only one accident will be forgiven.

If any other at-fault accident occurs while an accident is being forgiven, the other at-fault accident(s) will be subject to rating under the provisions of Rule 56. Moving violations of any kind are not eligible for forgiveness. A forgiven accident is still considered a loss for the purpose of applying other provisions of the company's rating plan and may affect underwriting, placement or eligibility.

Forgiven accidents are still considered surchargeable for the purpose of applying other provisions of your policy and may affect underwriting eligibility.

Refer to the Miscellaneous Rating Factors page for the applicable per policy charge.

Use form number 10AR 1273.

ARBELLA MUTUAL MASSACHUSETTS PRIVATE PASSENGER AUTOMOBILE INSURANCE RULES/RATES MANUAL

RULE 35. ACCIDENT FORGIVENESS

Accident Forgiveness provides forgiveness of the SDIP points relating to one at-fault accident caused by an Experienced Operator with a current SDIP designation of 99. The surcharge relating to the at-fault accident will remain forgiven for as long as this endorsement remains on the policy and for as long as this policy is insured with Arbella or until it is no longer a valid surcharge. Following the purchase of this endorsement, SDIP surcharge points will not be applied if the following conditions are met:

- 1) There is at least one experienced operator listed on the policy and all experienced operators listed on the policy have a SDIP designation of 99.
- 2) The at-fault accident was caused by an Experienced Operator.
- 3) The at-fault accident involved using one of the vehicles listed on the coverage selections page.
- 4) The driver of the vehicle involved in the at-fault accident is not deferred or excluded.
- 5) The at-fault accident occurred after the initial purchase of the endorsement.
- 6) The at-fault accident was reported to us promptly.
- 7) There are no other accidents being forgiven on the policy.
- 8) In the event an accident being forgiven during a term is no longer subject to a surcharge, the next qualifying at-fault accident will receive forgiveness upon renewal of the policy, subject to the terms and conditions of this endorsement. Only one endorsement can apply to a policy and only one accident will be forgiven.

If any other at-fault accident occurs while an accident is being forgiven, the other at-fault accident(s) will result in a surcharge. Moving violations of any kind are not eligible for forgiveness. Forgiven accidents are still considered surchargeable for the purpose of applying other provisions of your policy and may affect underwriting eligibility.

Refer to the Miscellaneous Rating Factors page for the applicable charge.



Accident Forgiveness

This endorsement provides forgiveness of SDIP premium costs relating to one at-fault accident caused by an Experienced Operator. Surcharge points usually do not affect premium until the policy is renewed and this endorsement only provides forgiveness if purchased before the at-fault accident occurred and remains on your policy upon renewal. The surcharge relating to the at-fault accident will remain forgiven for as long as this endorsement remains on the policy and for as long as this policy is insured (without interruption) with Arbella. If this endorsement is removed, or if the policy term is interrupted during those times, we will add the surcharge points to the current policy.

The following terms and conditions must be met for this endorsement to apply:

- 1) For this endorsement, Experienced Operator(s) shall mean a driver licensed for six (6) or more years having an SDIP of 99, as returned by the Massachusetts Merit Rating Board, and who is listed on the Coverage Selections Page as an operator.
- 2) For this endorsement, at-fault accident(s) shall mean any accident where a claim payment of at least \$500 was made, in excess of any deductible, and where Arbella has determined, in its sole discretion, that the operator was more than 50% at-fault.
- 3) At the time this endorsement is initially purchased, there is at least one experienced operator listed on the policy and all experienced operators listed on the policy have a SDIP designation of 99.
- 4) Forgiveness applies to an at-fault accident caused by an Experienced Operator following the purchase of this endorsement. Only at-fault accidents caused by Experienced Operators using the vehicle(s) listed on the coverage selections page are eligible for forgiveness. Any at-fault accidents caused by any other listed operators (for example a driver with an SDIP of 98) do not qualify for forgiveness. If a policy qualifies for forgiveness and is endorsed to add an operator with a merit rating code of 98 or 0-45, the operator will be assigned those points and accidents by them will not be forgiven. At-fault accidents involving deferred or excluded operators will not be waived under this endorsement.
- 5) The at-fault accident was reported to us promptly.
- 6) There are no other accidents being forgiven on the policy. In the event an accident being forgiven during a term is no longer subject to a surcharge (for example, 6 years has passed since the at-fault accident occurred), the next qualifying at-fault accident will receive forgiveness upon renewal of the policy, subject to the terms and conditions of this endorsement. Only one endorsement can apply to a policy and only one accident will be forgiven.
- 7) If any other at-fault accident occurs while an accident is being forgiven, the other at-fault accident(s) will result in a surcharge.
- 8) Moving violations of any kind are not eligible for forgiveness.
- 9) Forgiven accidents are still considered surchargeable for the purpose of applying other provisions of your policy and may affect underwriting eligibility.