

**MASSACHUSETTS
ENCOMPASS INSURANCE COMPANY OF MASSACHUSETTS
MOTOR VEHICLE RULES**

56. MERIT RATING PLAN

Points/Experience Period

Each listed operator on a policy is assigned a factor based on the operator's driving history record. The factor applied to the otherwise applicable rate which reflects the number, type, and age of chargeable incidents during the Policy Experience Period.

The Experience Period is the six year period immediately preceding the effective date of the policy.

Excellent Driver Discounts

The Excellent Driver Discount is awarded to operators with Incident-Free Periods of more than five but less than six years.

The Excellent Driver Discount Plus is awarded to operators with Incident-Free Periods of at least six years.

Classification of Merit Rating Points

Merit rating points are assigned as follows:

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

For losses occurring prior to 7/1/2015, 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 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 losses occurring 7/1/2015 or later, 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 and including \$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.

Merit rating 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 Premium Adjustment

The merit rating factor is applied to Compulsory Bodily Injury (Part 1), PIP (Part 2), Property Damage (Part 4), Optional Bodily Injury To Others (Part 5), Medical Payments (Part 6), Collision (Part 7), Limited Collision (Part 8) and Comprehensive (Part 9).

The merit rating premium adjustment is the last step in the rating process after all discounts and rating factors have been completed.

Total Operator merit rating points are based on the Incident Free Period. When the Incident Free Period is less than or equal to three, the total number of merit rating points 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 merit rating points applicable to each incident shall be reduced by one and the total number of merit rating points applicable to the Operator shall be the sum of those reduced points. In no event shall the merit rating points for any single incident be reduced below zero.

Assignment of Operators to Vehicles

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

Refer to the rate pages for the applicable merit rating factors.

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