

3. PREMIUM DETERMINATION

- A. Wherever rounding is shown in this rule, this means rounding to the nearest whole dollar.
1. Rating Bodily Injury Liability, Optional BI to Others, Damage to Someone Else's Property, Motorcycle Guest Occupant Liability, Medical Payments, Personal Injury Protection, and Increased BI caused by an Uninsured Auto and BI cause by an Underinsured Auto:

Calculate the policy's premiums as follows:

- a. Determine the number of vehicles with each coverage on the policy.
 - b. For each vehicle, multiply any applicable model year and vehicle modification factor found in the state rate pages. This is the vehicle's class factor, for purposes of this section.
 - (1) For single vehicle policies, or policies with 2 or 3 vehicles of the same class, find the applicable coverage base premium and multiply it by the applicable class factor.
 - (2) For policies with 2 or 3 vehicles of different classes, find the applicable coverage base premium. Calculate the average of the class factors and multiply by the coverage base premium.
 - (3) For policies with more than 3 vehicles, find the applicable coverage base premium. Average the class factors for the three vehicles with the highest factors. Multiply the coverage premium by this averaged class factor.
 - c. Multiply the above by any applicable vehicle level discount, surcharge or any other factor.
 - d. Multiply the above by any applicable coverage level discount, surcharge or any other factor.
 - e. Multiply the above by any applicable policy level discount, surcharge or any other factor.
 - f. Multiply by the Paid-In-Full Discount and round.
2. Physical Damage Rating
 - a. See State Rate Pages for applicable coverage base rate per \$100 for the vehicle.
 - b. Multiply by any applicable vehicle symbol factor.
 - c. Multiply by any applicable vehicle value band factor.
 - d. Multiply by vehicle type factor.
 - e. Multiply by number of vehicles factor.
 - f. Multiply by model year/modified group factor.
 - g. Multiply by Cherished Salvage[®] factor in the rate pages (if applicable).
 - h. Multiply by the waiver of subrogation factor in the rate pages (if applicable).
 - i. Select deductible option and multiply by deductible factor.
 - j. Multiply by applicable garaging factor.
 - k. Multiply by applicable years licensed adjustment factor.
 - l. Multiply by the vehicle's insured value/100.
 - m. Multiply the above by any applicable vehicle level discount, surcharge or any other factor.
 - n. Multiply the above by any applicable coverage level discount, surcharge or any other factor.
 - o. Multiply the above by any applicable policy level discount, surcharge or any other factor.
 - p. Multiply by the Paid-In-Full Discount and round.

3. PREMIUM DETERMINATION (cont'd)

3. Other

Add any optional policy or vehicle endorsements and round.

4. Book Transfer Premium Stabilization

Apply the Book Transfer Premium Stabilization rule, if applicable, and round.

5. Applicable State Assessments

None.

B. Refer to Rule 5. for Minimum Premium rule.

4. PREMIUM DISCOUNTS AND SURCHARGES

A. The following discounts are available:

1. Anti-Theft Device

Vehicles Equipped With Anti-Theft Devices

These discounts apply to Comprehensive Coverage only. To qualify, the vehicle must meet the criteria of section a., b., or c. below. If a vehicle is equipped with more than one qualifying device, only the single highest discount shall apply. Refer to company for required evidence of installation of anti-theft devices meeting the following criteria prior to granting a discount.

a. Alarm ONLY or Active Disabling Devices

A 5% discount on Comprehensive Coverage shall be afforded on all vehicles equipped with a hood lock which can be released only from inside the vehicle, and

- (1) Alarm only devices which sound an audible alarm that can be heard at a distance of at least 300 feet for a minimum of three minutes, or
- (2) Active disabling devices which disable the vehicle by making the fuel, ignition or starting system inoperative. A disabling device is categorized as active if a separate manual step IS required to engage the device.

Factor: 0.95

b. Passive Disabling Devices

A 15% discount on Comprehensive Coverage shall be afforded on vehicles equipped with a hood lock which can be released only from inside the vehicle and passive disabling devices which disable the vehicle by making the fuel, ignition or starting system inoperative. A disabling device is categorized as passive if a separate manual step is NOT required to engage the device.

Factor: 0.85

c. Homing Device Credit

A 10% credit is available to the vehicle's comprehensive premium if the vehicle is installed with the following system.

Factor: 0.90

The device must meet the following requirements:

- (1) The device or system is designed to transmit a pulse or signal by which the location of the vehicle in which the device or system is installed may be tracked by those receiving the signal;
- (2) The device or system is activated or initiated when a vehicle is stolen or reported stolen to police;
- (3) The pulse or signal either must be transmittable to local and/or state police agencies or to a private central monitoring station which shall have direct communication with the local and/or state police agencies for the purpose of reporting, tracking and monitoring the vehicle; and
- (4) The device or system shall be designed so that information concerning the vehicle's location may be provided to the proper authorities and/or the vehicle's owner or insurer for the purpose of recovering the vehicle.

4. PREMIUM DISCOUNTS AND SURCHARGES (cont'd)

2. Prior Specialty Carrier – New Policy Discount

A discount of \$20 is available for the first policy term (new business only) for any applicant continuously insured for at least one year with a specialty collector vehicle carrier immediately prior to applying for coverage with us. This discount will not apply if the policy is subject to the Book Transfer Premium Stabilization rule.

3. Individual Risk Premium Modification Plan (IRPM)

a. In order for a risk to qualify for application of IRPM credits, our company must insure a collection of:

- (1) 6 or more vehicles with a total minimum value of \$250,000; or
- (2) Any number of vehicles with a total minimum value of \$500,000.

b. The IRPM rating plan credit shall only be applied to the Comprehensive and Collision premiums. The total maximum credit allowed under this plan is 25%.

c. Credits are available for the following risk variations: Security, Type of Storage Structure, and Dispersion of Risk.

(1) Security (1% - 10% Maximum Credit Allowed)

Refer to Rate Pages for discount amounts.

- CENTRAL STATION FIRE & BURGLAR ALARM - A credit is available if there is a central station or direct reporting fire and burglar alarm at the garage where the insured vehicles are kept.
- LOCAL FIRE PROTECTION & BURGLAR ALARMS - A credit is available if there is a fire extinguisher, and local fire and burglar alarms at the garage where the insured vehicles are kept.
- AUTOMATIC SPRINKLERS - A credit is available if an automatic sprinkler system is installed in the garage where the insured vehicles are kept.
- WATCHDOG OR WATCHMAN ON PREMISES - A credit is available if a watchdog or watchman is available on the premises 24 hours a day.
- PADLOCK OR DEADBOLT - A credit is available if padlocks or deadbolts are present at the garage where the insured vehicles are kept.

(2) Type of Storage Structure (1 - 10% Maximum Credit Allowed)

Refer to Rate Pages for discount amounts.

A credit is available for the following types of storage.

- FIRE RESISTIVE - Buildings constructed of any combination of the following materials:

Exterior Walls or Exterior Structural Frame

- Solid masonry, including reinforced concrete
- Hollow masonry less than 12" thick
- Hollow masonry less than 12", but not less than 8" thick, with a fire resistance rating of not less than 2 hours.

Floors and Roof

- Monolithic floors and roof of reinforced concrete with slabs that are at least 4" thick.
- "Joist Systems" with slabs supported by concrete joists spaced no more than 36" on centers with a slab thickness of not less than 2 3/4".
- Floor and roof assemblies with a fire resistance rating of not less than 2 hours.

Structural Metal Supports

- Horizontal and vertical load-bearing protected metal supports with a fire resistance rating of not less than 2 hours.

4. PREMIUM DISCOUNTS AND SURCHARGES (cont'd)

- MODIFIED FIRE RESISTIVE - Buildings with exterior walls, floors and roof constructed of masonry materials that are listed as fire resistive materials, but deficient in thickness; or fire resistive materials that are listed as fire resistive, but with a fire resistance rating of less than 2 hours, but not less than 1 hour.
- MASONRY NON-COMBUSTIBLE - Buildings with exterior walls of fire resistive construction, or of masonry, and with non-combustible or slow burning floors and roof.
- NON-COMBUSTIBLE - Buildings with exterior walls, floors, and roof of non-combustible or slow burning material supported by non-combustible or slow burning supports.
- JOISTED MASONRY - Buildings with exterior walls of fire resistive construction of masonry, and with combustible floors and roof.
- FRAME - Buildings with exterior walls, floors and roof of combustible construction or buildings with exterior walls of non-combustible or slow burning construction, with combustible floors and roof.

(3) Dispersion of Risk (1% - 10% Maximum Credit Allowed).

Refer to Rate Pages for discount amounts.

A credit is available for a risk which is dispersed between a minimum of two locations with common ownership and a minimum value of \$250,000 per location.

4. Experience Rating Plan

- a. In order for a risk to qualify for application of experience rating plan credits, our company must insure a collection of:
 - (1) 6 or more vehicles with a total minimum value of \$250,000; or
 - (2) Any number of vehicles with a total minimum value of \$500,000.
- b. The experience rating plan credit shall only be applied to the Comprehensive and Collision premium.

5. Paid-In-Full Discount

A discount of 7% applies to the policy term when the full policy premium is paid:

- a. At policy inception for new business; or
- b. By the renewal effective date.

However, an insured on a payment plan that pays in full within 90 days of the inception or renewal will also receive the Paid-In-Full Discount.

Factor: 0.93

6. Portfolio Transfer Discount

A discount will be applied for policies originally written under a non-Essentia insurance company which are converted to the Essentia Classic Automobile program as part of a portfolio transfer. This discount is intended to mitigate the disruption that may be caused as a result of an agent's transition of qualifying business to the Essentia program and is provided for the first two policy terms.

- a. A 10% discount shall be afforded for the first annual term.
- b. A 5% discount shall be afforded for the second annual term.

This discount will not apply if the policy is subject to the Book Transfer Premium Stabilization rule.

4. PREMIUM DISCOUNTS AND SURCHARGES (cont'd)

B. The following surcharges apply:

1. Years Licensed Rate Adjustment Factor

A rate adjustment factor applies to the named insured/primary operator on the policy. The factor is assigned based on the number of years licensed, up to and including 29+ years, as established by the evidence of licensure.

The rating factor is applied to the policy.

See Rates for applicable factor.

2. High Horsepower Rate Factor

An additional rate factor will be applied to Part 7. Collision for any vehicle with an engine horsepower of 650 or more.

See Rates for applicable collision factor.

OPTIONAL LIMITS AND ENDORSEMENTS**12.4. Foreign Coverage**

Coverage is available for loss or damage to the vehicle while in a foreign country or while being transported by water amongst such countries and the United States. The Coverage Selections Page or Schedule must indicate to which countries coverage applies, as well as, which vehicle is carrying foreign coverage. See Rates for applicable premium charge.

A. When our company insures a collection of:

1. 6 or more vehicles with a total minimum value of \$250,000; or
2. Any number of vehicles with a total minimum value of \$500,000,
no additional premium charge applies.

B. For collections not meeting the criteria in A. above, refer to the rate pages for the applicable premium.

Attach endorsement AC 00 21 MA, Foreign Coverage Endorsement - Massachusetts.

OPTIONAL LIMITS AND ENDORSEMENTS**12.6. Custom Features**

Coverage for loss or damage to custom features may be limited to \$10,000. The limit for custom features is a part of the total agreed value of the vehicle; it is not an additional limit. If purchased, the per vehicle custom features total limit and premium must be indicated in the Coverage Selections Page or Schedule. See Rates for applicable premium charge.

Attach endorsement AC 00 16 MA, Custom Features Limitation Endorsement - Massachusetts.

OPTIONAL LIMITS AND ENDORSEMENTS

12.7. Additional Insured - Lessor

A. Coverage may be endorsed to apply:

1. Bodily Injury to Others (Part 1),
2. Personal Injury Protection (Part 2),
3. Bodily Injury Caused by an Uninsured Auto (Part 3) up to the Compulsory Limits,
4. Damage to Someone Else's Property (Part 4) up to the Compulsory Limit,

for the leased auto shown in the Coverage Selections Page or Schedule to any person or entity and to that person's agents or employees.

B. Any coverage provided for:

1. Amounts over the compulsory limit for Damage to Someone Else's Property (Part 4),
2. Optional Bodily Injury to Others (Part 5),

for a leased auto may also be applied to the person or entity leasing an auto to the insured, and to that person's or entity's agents or employees, only while the leased auto is being used by the insured or on the insured's behalf.

Attach endorsement AC 03 19 MA, Additional Insured - Lessor – Massachusetts.

OPTIONAL LIMITS AND ENDORSEMENTS**12.17. Vehicle Under Construction**

This endorsement is available for vehicles under active restoration or new builds. Physical damage coverage is enhanced by adding:

- A. A mid-term increase to the vehicle's Guaranteed Value[®] of 10% per quarter, subject to a maximum of \$25,000 during the policy term.
 - 1. Upon expiration of the policy period, the limit reverts back to the Guaranteed Value[®] shown in the Coverage Selections Page or Schedule.
 - 2. This amount is used to process the renewal unless a change in the amount of insurance is requested, to which we must also agree.
- B. Coverage for direct and accidental loss of, or damage to, Automotive Tools used for any covered auto of \$750, subject to a deductible of \$25.

“Automotive Tools”, includes tools and portable equipment used in the maintenance of collector vehicles. This also includes:

 - 1. Portable carts or cases used to store covered tools; and
 - 2. Accessories for covered tools whether attached or not.

See rate pages for the applicable premium per vehicle.

Attach endorsement AC 00 50 MA, Vehicle Under Construction Endorsement - Massachusetts.

16. BOOK TRANSFER PREMIUM STABILIZATION

The Book Transfer Premium Stabilization rule is applied when transitioning significant business from a non-Essentia company to the Essentia Insurance Company Antique & Classic Automobile Program. In order to qualify, such transitions must constitute at least \$50,000 of premium.

Book Transfer Premium Stabilization will be calculated as follows:

- A. Calculate the Essentia Insurance Company’s Antique & Classic Automobile Program premium based on the current information of the policyholder.
- B. Determine the Book Transfer Premium Stabilization factor calculated based on the ratio between the current company’s expiring premium and the premium calculated in step A.
- C. Ensuing terms will transition the Book Transfer Premium Stabilization factor* toward 1.000 according to one of the methods below. In order for the policy to reach full manual rates in 3 years, the method that produces the greatest movement will be utilized.
 - 1. Multiply the previous term’s Book Transfer Premium Stabilization factor by the corresponding Renewal Adjustment Factor below.

Prior Term Book Transfer Premium Stabilization Factor	Renewal Adjustment Factor
>2.500	0.800
2.500 – 1.667	0.825
1.666 – 1.333	0.850
1.332 – 1.250	0.875
1.249 – 1.177	0.900
1.176 – 1.111	0.925
1.110 – 1.053	0.950
1.052 – 1.026	Unrestricted**
1.025 – 0.977	Unrestricted**
0.976 – 0.953	Unrestricted**
0.952 – 0.909	1.050
0.908 – 0.870	1.075
0.869 – 0.833	1.100
0.832 – 0.800	1.125
0.799 – 0.714	1.150
0.713 – 0.625	1.175
< 0.625	1.200

* The output of step B. for the first renewal, and the output of step C. for subsequent renewals.

** Unrestricted = Move the Book Transfer Premium Stabilization factor to 1.000.

- 2. Multiply the previous term’s Book Transfer Premium Stabilization factor by the Renewal Adjustment Factor = $(1/\text{Prior Term Book Transfer Premium Stabilization Factor})^{(1/n)}$, where n = number of remaining transition periods.

3. PREMIUM DETERMINATION

- A. Wherever rounding is shown in this rule, this means rounding to the nearest whole dollar.
1. Rating Bodily Injury Liability, Optional BI to Others, Damage to Someone Else's Property, Motorcycle Guest Occupant Liability, Medical Payments, Personal Injury Protection, and Increased BI caused by an Uninsured Auto and BI cause by an Underinsured Auto:

Calculate the policy's premiums as follows:

- a. Determine the number of vehicles with each coverage on the policy.
- b. For each vehicle, multiply any applicable model year and vehicle modification factor found in the state rate pages. This is the vehicle's class factor, for purposes of this section.
 - (1) For single vehicle policies, or policies with 2 or 3 vehicles of the same class, find the applicable coverage base premium and multiply it by the applicable class factor.
 - (2) For policies with 2 or 3 vehicles of different classes, find the applicable coverage base premium. Calculate the average of the class factors and multiply by the coverage base premium.
 - (3) For policies with more than 3 vehicles, find the applicable coverage base premium. Average the class factors for the three vehicles with the highest factors. Multiply the coverage premium by this averaged class factor.

- c. Multiply the above by any applicable vehicle level discount, surcharge or any other factor.
- d. Multiply the above by any applicable coverage level discount, surcharge or any other factor.
- e. Multiply the above by any applicable policy level discount, surcharge or any other factor.

~~e.f.~~ Multiply by the Paid-In-Full Discount and round.

2. Physical Damage Rating

- a. See State Rate Pages for applicable coverage base rate per \$100 for the vehicle.
- b. Multiply by any applicable vehicle symbol factor.
- c. Multiply by any applicable vehicle value band factor.
- d. Multiply by vehicle type factor.
- e. Multiply by number of vehicles factor.
- f. Multiply by model year/modified group factor.
- g. Multiply by Cherished Salvage[®] factor in the rate pages (if applicable).
- h. Multiply by the waiver of subrogation factor in the rate pages (if applicable).
- i. Select deductible option and multiply by deductible factor.
- j. Multiply by applicable garaging factor.
- k. Multiply by applicable years licensed adjustment factor.
- l. Multiply by the vehicle's insured value/100.
- m. Multiply the above by any applicable vehicle level discount, surcharge or any other factor.
- n. Multiply the above by any applicable coverage level discount, surcharge or any other factor.
- o. Multiply the above by any applicable policy level discount, surcharge or any other factor.

~~e.p.~~ Multiply by the Paid-In-Full Discount and round.

3. PREMIUM DETERMINATION (cont'd)

3. Other

Add any optional policy or vehicle endorsements and round.

4. ~~Paid-in-Full Discount~~ Book Transfer Premium Stabilization

~~If this discount is applicable, multiply the policy premium by the Paid-in-Full Discount Factor~~
Apply the Book Transfer Premium Stabilization rule, if applicable, and round.

5. Applicable State Assessments

None.

B. Refer to Rule 5. for Minimum Premium rules.

4. PREMIUM DISCOUNTS AND SURCHARGES

A. The following discounts are available:

1. Anti-Theft Device

Vehicles Equipped With Anti-Theft Devices

These discounts apply to Comprehensive Coverage only. To qualify, the vehicle must meet the criteria of section a., b., or c. below. If a vehicle is equipped with more than one qualifying device, only the single highest discount shall apply. Refer to company for required evidence of installation of anti-theft devices meeting the following criteria prior to granting a discount.

a. Alarm ONLY or Active Disabling Devices

A 5% discount on Comprehensive Coverage shall be afforded on all vehicles equipped with a hood lock which can be released only from inside the vehicle, and

- (1) Alarm only devices which sound an audible alarm that can be heard at a distance of at least 300 feet for a minimum of three minutes, or
- (2) Active disabling devices which disable the vehicle by making the fuel, ignition or starting system inoperative. A disabling device is categorized as active if a separate manual step is required to engage the device.

Factor: 0.95

b. Passive Disabling Devices

A 15% discount on Comprehensive Coverage shall be afforded on vehicles equipped with a hood lock which can be released only from inside the vehicle and passive disabling devices which disable the vehicle by making the fuel, ignition or starting system inoperative. A disabling device is categorized as passive if a separate manual step is NOT required to engage the device.

Factor: 0.85

c. Homing Device Credit

A 10% credit is available to the vehicle's comprehensive premium if the vehicle is installed with the following system.

Factor: 0.90

The device must meet the following requirements:

- (1) The device or system is designed to transmit a pulse or signal by which the location of the vehicle in which the device or system is installed may be tracked by those receiving the signal;
- (2) The device or system is activated or initiated when a vehicle is stolen or reported stolen to police;
- (3) The pulse or signal either must be transmittable to local and/or state police agencies or to a private central monitoring station which shall have direct communication with the local and/or state police agencies for the purpose of reporting, tracking and monitoring the vehicle; and
- (4) The device or system shall be designed so that information concerning the vehicle's location may be provided to the proper authorities and/or the vehicle's owner or insurer for the purpose of recovering the vehicle.

4. PREMIUM DISCOUNTS AND SURCHARGES (cont'd)

2. Prior Specialty Carrier – New Policy Discount

A discount of \$20 is available for the first policy term (new business only) for any applicant continuously insured for at least one year with a specialty collector vehicle carrier immediately prior to applying for coverage with us. This discount will not apply if the policy is subject to the Book Transfer Premium Stabilization rule.

3. Individual Risk Premium Modification Plan (IRPM)

a. In order for a risk to qualify for application of IRPM credits, our company must insure a collection of:

- (1) 6 or more vehicles with a total minimum value of \$250,000; or
- (2) ~~a~~Any number of vehicles with a total minimum value of \$500,000.

b. The IRPM rating plan credit shall only be applied to the Comprehensive and Collision premiums. The total maximum credit allowed under this plan is 25%.

c. Credits are available for the following risk variations: Security, Type of Storage Structure, and Dispersion of Risk.

(1) Security (1% - 10% Maximum Credit Allowed)

Refer to Rate Pages for discount amounts.

- CENTRAL STATION FIRE & BURGLAR ALARM - A credit is available if there is a central station or direct reporting fire and burglar alarm at the garage where the insured vehicles are kept.
- LOCAL FIRE PROTECTION & BURGLAR ALARMS - A credit is available if there is a fire extinguisher, and local fire and burglar alarms at the garage where the insured vehicles are kept.
- AUTOMATIC SPRINKLERS - A credit is available if an automatic sprinkler system is installed in the garage where the insured vehicles are kept.
- WATCHDOG OR WATCHMAN ON PREMISES - A credit is available if a watchdog or watchman is available on the premises 24 hours a day.
- PADLOCK OR DEADBOLT - A credit is available if padlocks or deadbolts are present at the garage where the insured vehicles are kept.

(2) Type of Storage Structure (1 - 10% Maximum Credit Allowed)

Refer to Rate Pages for discount amounts.

A credit is available for the following types of storage.

- FIRE RESISTIVE - Buildings constructed of any combination of the following materials:

Exterior Walls or Exterior Structural Frame

- Solid masonry, including reinforced concrete
- Hollow masonry less than 12" thick
- Hollow masonry less than 12", but not less than 8" thick, with a fire resistance rating of not less than 2 hours.

Floors and Roof

- Monolithic floors and roof of reinforced concrete with slabs that are at least 4" thick.
- "Joist Systems" with slabs supported by concrete joists spaced no more than 36" on centers with a slab thickness of not less than 2 3/4".
- Floor and roof assemblies with a fire resistance rating of not less than 2 hours.

Structural Metal Supports

- Horizontal and vertical load-bearing protected metal supports with a fire resistance rating of not less than 2 hours.

4. PREMIUM DISCOUNTS AND SURCHARGES (cont'd)

- MODIFIED FIRE RESISTIVE - Buildings with exterior walls, floors and roof constructed of masonry materials that are listed as fire resistive materials, but deficient in thickness; or fire resistive materials that are listed as fire resistive, but with a fire resistance rating of less than 2 hours, but not less than 1 hour.
- MASONRY NON-COMBUSTIBLE - Buildings with exterior walls of fire resistive construction, or of masonry, and with non-combustible or slow burning floors and roof.
- NON-COMBUSTIBLE - Buildings with exterior walls, floors, and roof of non-combustible or slow burning material supported by non-combustible or slow burning supports.
- JOISTED MASONRY - Buildings with exterior walls of fire resistive construction of masonry, and with combustible floors and roof.
- FRAME - Buildings with exterior walls, floors and roof of combustible construction or buildings with exterior walls of non-combustible or slow burning construction, with combustible floors and roof.

(3) Dispersion of Risk (1% - 10% Maximum Credit Allowed).

Refer to Rate Pages for discount amounts.

A credit is available for a risk which is dispersed between a minimum of two locations with common ownership and a minimum value of \$250,000 per location.

4. Experience Rating Plan

- a. In order for a risk to qualify for application of experience rating plan credits, -our company must insure a collection of:
 - (1) 6 or more vehicles with a total minimum value of \$250,000; or
 - (2) ~~a~~Any number of vehicles with a total minimum value of \$500,000.
- b. The experience rating plan credit shall only be applied to the Comprehensive and Collision premium.

5. Paid-In-Full Discount

A discount of 7% applies to the policy term when the full policy premium is paid:

- a. At policy inception for new business; or
- b. By the renewal effective date.

However, an insured on a payment plan that pays in full within 90 days of the inception or renewal will also receive the Paid-In-Full Discount.

Factor: 0.93

6. Portfolio Transfer Discount

A discount will be applied for policies originally written under a non-Essentia insurance company which are converted to the Essentia Classic Automobile program as part of a portfolio transfer. This discount is intended to mitigate the disruption that may be caused as a result of an agent's transition of qualifying business to the Essentia program, and is provided for the first two policy terms.

- a. A 10% discount shall be afforded for the first annual term.
- b. A 5% discount shall be afforded for the second annual term.

This discount will not apply if the policy is subject to the Book Transfer Premium Stabilization rule.

4. PREMIUM DISCOUNTS AND SURCHARGES (cont'd)

B. The following surcharges apply:

1. Years Licensed Rate Adjustment Factor

A rate adjustment factor applies to the named insured/primary operator on the policy. The factor is assigned based on the number of years licensed, up to and including 29+ years, as established by the evidence of licensure.

The rating factor is applied to the policy.

See Rates for applicable factor.

2. High Horsepower Rate Factor

An additional rate factor will be applied to Part 7. Collision for any vehicle with an engine horsepower of 650 or more.

See Rates for applicable collision factor.

OPTIONAL LIMITS AND ENDORSEMENTS**12.4. Foreign Coverage**

Coverage is available for loss or damage to the vehicle while in a foreign country or while being transported by water amongst such countries and the United States. The ~~Declarations~~Coverage Selections Page or Schedule must indicate to which countries coverage applies, as well as, which vehicle is carrying foreign coverage. See Rates for applicable premium charge.

A. When our company insures a collection of:

1. 6 or more vehicles with a total minimum value of \$250,000; or
2. ~~a~~Any number of vehicles with a total minimum value of \$500,000,
no additional premium charge applies.

B. For collections not meeting the criteria in A. above, refer to the rate pages for the applicable premium.

Attach endorsement AC 00 21 MA, Foreign Coverage Endorsement - Massachusetts.

OPTIONAL LIMITS AND ENDORSEMENTS

12.6. Custom Features

Coverage for loss or damage to custom features may be limited to \$10,000. The limit for custom features is a part of the total agreed value of the vehicle; it is not an additional limit. If purchased, the per vehicle custom features total limit and premium must be indicated in the Coverage Selections Page or Schedule. See Rates for applicable premium charge.

Attach endorsement AC 00 16 MA, Custom Features Limitation Endorsement - Massachusetts.

OPTIONAL LIMITS AND ENDORSEMENTS**12.7. Additional Insured - Lessor**

A. Coverage may be endorsed to apply:

1. Bodily Injury to Others (Part 1),
2. Personal Injury Protection (Part 2),
3. Bodily Injury Caused by an Uninsured Auto (Part 3) up to the Compulsory Limits,
4. Damage to Someone Else's Property (Part 4) up to the Compulsory Limit,

for the leased auto shown in the Coverage Selections Page or Schedule to any person or entity and to that person's agents or employees.

B. Any coverage provided for:

1. Amounts over the compulsory limit for Damage to Someone Else's Property (Part 4),
2. Optional Bodily Injury to Others (Part 5),

for a leased auto may also be applied to the person or entity leasing an auto to the insured, and to that person's or entity's agents or employees, only while the leased auto is being used by the insured or on the insured's behalf.

Attach endorsement AC 03 19 MA, Additional Insured - Lessor – Massachusetts.

OPTIONAL LIMITS AND ENDORSEMENTS**12.17. Vehicle Under Construction**

This endorsement is available for vehicles under active restoration or new builds. Physical damage coverage is enhanced by adding:

- A. A mid-term increase to the vehicle's Guaranteed Value[®] of 10% per quarter, subject to a maximum of \$25,000 during the policy term.
 1. Upon expiration of the policy period, the limit reverts back to the Guaranteed Value[®] shown in the [Declarations Coverage Selections Page or Schedule](#).
 2. This amount is used to process the renewal unless a change in the amount of insurance is requested, to which we must also agree.
- B. Coverage for direct and accidental loss of, or damage to, Automotive Tools used for any covered auto of \$750, subject to a deductible of \$25.

"Automotive Tools", includes tools and portable equipment used in the maintenance of collector vehicles. This also includes:

 1. Portable carts or cases used to store covered tools; and
 2. Accessories for covered tools whether attached or not.

See rate pages for the applicable premium per vehicle.

Attach endorsement AC 00 50 MA, Vehicle Under Construction Endorsement - Massachusetts.

16. BOOK TRANSFER PREMIUM STABILIZATION

The Book Transfer Premium Stabilization rule is applied when transitioning significant business from a non-Essentia company to the Essentia Insurance Company Antique & Classic Automobile Program. In order to qualify, such transitions must constitute at least \$50,000 of premium.

Book Transfer Premium Stabilization will be calculated as follows:

- A. Calculate the Essentia Insurance Company’s Antique & Classic Automobile Program premium based on the current information of the policyholder.
- B. Determine the Book Transfer Premium Stabilization factor calculated based on the ratio between the current company’s expiring premium and the premium calculated in step A.
- C. Ensuing terms will transition the Book Transfer Premium Stabilization factor* toward 1.000 according to one of the methods below. In order for the policy to reach full manual rates in 3 years, the method that produces the greatest movement will be utilized.
 - 1. Multiply the previous term’s Book Transfer Premium Stabilization factor by the corresponding Renewal Adjustment Factor below.

<u>Prior Term Book Transfer Premium Stabilization Factor</u>	<u>Renewal Adjustment Factor</u>
<u>>2.500</u>	<u>0.800</u>
<u>2.500 – 1.667</u>	<u>0.825</u>
<u>1.666 – 1.333</u>	<u>0.850</u>
<u>1.332 – 1.250</u>	<u>0.875</u>
<u>1.249 – 1.177</u>	<u>0.900</u>
<u>1.176 – 1.111</u>	<u>0.925</u>
<u>1.110 – 1.053</u>	<u>0.950</u>
<u>1.052 – 1.026</u>	<u>Unrestricted**</u>
<u>1.025 – 0.977</u>	<u>Unrestricted**</u>
<u>0.976 – 0.953</u>	<u>Unrestricted**</u>
<u>0.952 – 0.909</u>	<u>1.050</u>
<u>0.908 – 0.870</u>	<u>1.075</u>
<u>0.869 – 0.833</u>	<u>1.100</u>
<u>0.832 – 0.800</u>	<u>1.125</u>
<u>0.799 – 0.714</u>	<u>1.150</u>
<u>0.713 – 0.625</u>	<u>1.175</u>
<u>< 0.625</u>	<u>1.200</u>

* The output of step B. for the first renewal, and the output of step C. for subsequent renewals.

** Unrestricted = Move the Book Transfer Premium Stabilization factor to 1.000.

- 2. Multiply the previous term’s Book Transfer Premium Stabilization factor by the Renewal Adjustment Factor = $(1/\text{Prior Term Book Transfer Premium Stabilization Factor})^{(1/n)}$, where n = number of remaining transition periods.

3. PREMIUM DETERMINATION

- A. Wherever rounding is shown in this rule, this means rounding to the nearest whole dollar.
1. Rating Bodily Injury Liability, Optional BI to Others, Damage to Someone Else's Property, Motorcycle Guest Occupant Liability, Medical Payments, Personal Injury Protection, and Increased BI caused by an Uninsured Auto and BI cause by an Underinsured Auto:

Calculate the policy's premiums as follows:

- a. Determine the number of vehicles with each coverage on the policy.
 - b. For each vehicle, multiply any applicable model year and vehicle modification factor found in the state rate pages. This is the vehicle's class factor, for purposes of this section.
 - (1) For single vehicle policies, or policies with 2 or 3 vehicles of the same class, find the applicable coverage base premium and multiply it by the applicable class factor.
 - (2) For policies with 2 or 3 vehicles of different classes, find the applicable coverage base premium. Calculate the average of the class factors and multiply by the coverage base premium.
 - (3) For policies with more than 3 vehicles, find the applicable coverage base premium. Average the class factors for the three vehicles with the highest factors. Multiply the coverage premium by this averaged class factor.
 - c. Multiply the above by any applicable vehicle level discount, surcharge or any other factor.
 - d. Multiply the above by any applicable coverage level discount, surcharge or any other factor.
 - e. Multiply the above by any applicable policy level discount, surcharge or any other factor.
 - ~~e.f.~~ f. Multiply by the Paid-In-Full Discount and round.
2. Physical Damage Rating
 - a. See State Rate Pages for applicable coverage base rate per \$100 for the vehicle.
 - b. Multiply by any applicable vehicle symbol factor.
 - c. Multiply by any applicable vehicle value band factor.
 - d. Multiply by vehicle type factor.
 - e. Multiply by number of vehicles factor.
 - f. Multiply by model year/modified group factor.
 - g. Multiply by Cherished Salvage[®] factor in the rate pages (if applicable).
 - h. Multiply by the waiver of subrogation factor in the rate pages (if applicable).
 - i. Select deductible option and multiply by deductible factor.
 - j. Multiply by applicable garaging factor.
 - k. Multiply by applicable years licensed adjustment factor.
 - l. Multiply by the vehicle's insured value/100.
 - m. Multiply the above by any applicable vehicle level discount, surcharge or any other factor.
 - n. Multiply the above by any applicable coverage level discount, surcharge or any other factor.
 - o. Multiply the above by any applicable policy level discount, surcharge or any other factor.
 - ~~e.p.~~ p. Multiply by the Paid-In-Full Discount and round.

3. PREMIUM DETERMINATION (cont'd)

3. Other

Add any optional policy or vehicle endorsements and round.

4. ~~Paid-in-Full Discount~~Book Transfer Premium Stabilization

~~If this discount is applicable, multiply the policy premium by the Paid-in-Full Discount Factor~~
Apply the Book Transfer Premium Stabilization rule, if applicable, and round.

5. Applicable State Assessments

None.

B. Refer to Rule 5. for Minimum Premium rules.

4. PREMIUM DISCOUNTS AND SURCHARGES

A. The following discounts are available:

1. Anti-Theft Device

Vehicles Equipped With Anti-Theft Devices

These discounts apply to Comprehensive Coverage only. To qualify, the vehicle must meet the criteria of section a., b., or c. below. If a vehicle is equipped with more than one qualifying device, only the single highest discount shall apply. Refer to company for required evidence of installation of anti-theft devices meeting the following criteria prior to granting a discount.

a. Alarm ONLY or Active Disabling Devices

A 5% discount on Comprehensive Coverage shall be afforded on all vehicles equipped with a hood lock which can be released only from inside the vehicle, and

- (1) Alarm only devices which sound an audible alarm that can be heard at a distance of at least 300 feet for a minimum of three minutes, or
- (2) Active disabling devices which disable the vehicle by making the fuel, ignition or starting system inoperative. A disabling device is categorized as active if a separate manual step IS required to engage the device.

Factor: 0.95

b. Passive Disabling Devices

A 15% discount on Comprehensive Coverage shall be afforded on vehicles equipped with a hood lock which can be released only from inside the vehicle and passive disabling devices which disable the vehicle by making the fuel, ignition or starting system inoperative. A disabling device is categorized as passive if a separate manual step is NOT required to engage the device.

Factor: 0.85

c. Homing Device Credit

A 10% credit is available to the vehicle's comprehensive premium if the vehicle is installed with the following system.

Factor: 0.90

The device must meet the following requirements:

- (1) The device or system is designed to transmit a pulse or signal by which the location of the vehicle in which the device or system is installed may be tracked by those receiving the signal;
- (2) The device or system is activated or initiated when a vehicle is stolen or reported stolen to police;
- (3) The pulse or signal either must be transmittable to local and/or state police agencies or to a private central monitoring station which shall have direct communication with the local and/or state police agencies for the purpose of reporting, tracking and monitoring the vehicle; and
- (4) The device or system shall be designed so that information concerning the vehicle's location may be provided to the proper authorities and/or the vehicle's owner or insurer for the purpose of recovering the vehicle.

4. PREMIUM DISCOUNTS AND SURCHARGES (cont'd)

2. Prior Specialty Carrier – New Policy Discount

A discount of \$20 is available for the first policy term (new business only) for any applicant continuously insured for at least one year with a specialty collector vehicle carrier immediately prior to applying for coverage with us. This discount will not apply if the policy is subject to the Book Transfer Premium Stabilization rule.

3. Individual Risk Premium Modification Plan (IRPM)

a. In order for a risk to qualify for application of IRPM credits, our company must insure a collection of:

- (1) 6 or more vehicles with a total minimum value of \$250,000; or
- (2) ~~a~~Any number of vehicles with a total minimum value of \$500,000.

b. The IRPM rating plan credit shall only be applied to the Comprehensive and Collision premiums. The total maximum credit allowed under this plan is 25%.

c. Credits are available for the following risk variations: Security, Type of Storage Structure, and Dispersion of Risk.

(1) Security (1% - 10% Maximum Credit Allowed)

Refer to Rate Pages for discount amounts.

- CENTRAL STATION FIRE & BURGLAR ALARM - A credit is available if there is a central station or direct reporting fire and burglar alarm at the garage where the insured vehicles are kept.
- LOCAL FIRE PROTECTION & BURGLAR ALARMS - A credit is available if there is a fire extinguisher, and local fire and burglar alarms at the garage where the insured vehicles are kept.
- AUTOMATIC SPRINKLERS - A credit is available if an automatic sprinkler system is installed in the garage where the insured vehicles are kept.
- WATCHDOG OR WATCHMAN ON PREMISES - A credit is available if a watchdog or watchman is available on the premises 24 hours a day.
- PADLOCK OR DEADBOLT - A credit is available if padlocks or deadbolts are present at the garage where the insured vehicles are kept.

(2) Type of Storage Structure (1 - 10% Maximum Credit Allowed)

Refer to Rate Pages for discount amounts.

A credit is available for the following types of storage.

- FIRE RESISTIVE - Buildings constructed of any combination of the following materials:

Exterior Walls or Exterior Structural Frame

- Solid masonry, including reinforced concrete
- Hollow masonry less than 12" thick
- Hollow masonry less than 12", but not less than 8" thick, with a fire resistance rating of not less than 2 hours.

Floors and Roof

- Monolithic floors and roof of reinforced concrete with slabs that are at least 4" thick.
- "Joist Systems" with slabs supported by concrete joists spaced no more than 36" on centers with a slab thickness of not less than 2 3/4".
- Floor and roof assemblies with a fire resistance rating of not less than 2 hours.

Structural Metal Supports

- Horizontal and vertical load-bearing protected metal supports with a fire resistance rating of not less than 2 hours.

4. PREMIUM DISCOUNTS AND SURCHARGES (cont'd)

- MODIFIED FIRE RESISTIVE - Buildings with exterior walls, floors and roof constructed of masonry materials that are listed as fire resistive materials, but deficient in thickness; or fire resistive materials that are listed as fire resistive, but with a fire resistance rating of less than 2 hours, but not less than 1 hour.
- MASONRY NON-COMBUSTIBLE - Buildings with exterior walls of fire resistive construction, or of masonry, and with non-combustible or slow burning floors and roof.
- NON-COMBUSTIBLE - Buildings with exterior walls, floors, and roof of non-combustible or slow burning material supported by non-combustible or slow burning supports.
- JOISTED MASONRY - Buildings with exterior walls of fire resistive construction of masonry, and with combustible floors and roof.
- FRAME - Buildings with exterior walls, floors and roof of combustible construction or buildings with exterior walls of non-combustible or slow burning construction, with combustible floors and roof.

(3) Dispersion of Risk (1% - 10% Maximum Credit Allowed).

Refer to Rate Pages for discount amounts.

A credit is available for a risk which is dispersed between a minimum of two locations with common ownership and a minimum value of \$250,000 per location.

4. Experience Rating Plan

- a. In order for a risk to qualify for application of experience rating plan credits, -our company must insure a collection of:
 - (1) 6 or more vehicles with a total minimum value of \$250,000; or
 - (2) ~~a~~Any number of vehicles with a total minimum value of \$500,000.
- b. The experience rating plan credit shall only be applied to the Comprehensive and Collision premium.

5. Paid-In-Full Discount

A discount of 7% applies to the policy term when the full policy premium is paid:

- a. At policy inception for new business; or
- b. By the renewal effective date.

However, an insured on a payment plan that pays in full within 90 days of the inception or renewal will also receive the Paid-In-Full Discount.

Factor: 0.93

6. Portfolio Transfer Discount

A discount will be applied for policies originally written under a non-Essentia insurance company which are converted to the Essentia Classic Automobile program as part of a portfolio transfer. This discount is intended to mitigate the disruption that may be caused as a result of an agent's transition of qualifying business to the Essentia program, and is provided for the first two policy terms.

- a. A 10% discount shall be afforded for the first annual term.
- b. A 5% discount shall be afforded for the second annual term.

This discount will not apply if the policy is subject to the Book Transfer Premium Stabilization rule.

4. PREMIUM DISCOUNTS AND SURCHARGES (cont'd)

B. The following surcharges apply:

1. Years Licensed Rate Adjustment Factor

A rate adjustment factor applies to the named insured/primary operator on the policy. The factor is assigned based on the number of years licensed, up to and including 29+ years, as established by the evidence of licensure.

The rating factor is applied to the policy.

See Rates for applicable factor.

2. High Horsepower Rate Factor

An additional rate factor will be applied to Part 7. Collision for any vehicle with an engine horsepower of 650 or more.

See Rates for applicable collision factor.

OPTIONAL LIMITS AND ENDORSEMENTS**12.4. Foreign Coverage**

Coverage is available for loss or damage to the vehicle while in a foreign country or while being transported by water amongst such countries and the United States. The [Declarations Coverage Selections Page or Schedule](#) must indicate to which countries coverage applies, as well as, which vehicle is carrying foreign coverage. See Rates for applicable premium charge.

A. When our company insures a collection of:

1. 6 or more vehicles with a total minimum value of \$250,000; or
2. ~~a~~Any number of vehicles with a total minimum value of \$500,000,
no additional premium charge applies.

B. For collections not meeting the criteria in A. above, refer to the rate pages for the applicable premium.

Attach endorsement AC 00 21 MA, Foreign Coverage Endorsement - Massachusetts.

OPTIONAL LIMITS AND ENDORSEMENTS

12.6. Custom Features

Coverage for loss or damage to custom features may be limited to \$10,000. The limit for custom features is a part of the total agreed value of the vehicle; it is not an additional limit. If purchased, the per vehicle custom features total limit and premium must be indicated in the Coverage Selections Page or Schedule. See Rates for applicable premium charge.

Attach endorsement AC 00 16 MA, Custom Features Limitation Endorsement - Massachusetts.

OPTIONAL LIMITS AND ENDORSEMENTS**12.7. Additional Insured - Lessor**

A. Coverage may be endorsed to apply:

1. Bodily Injury to Others (Part 1),
2. Personal Injury Protection (Part 2),
3. Bodily Injury Caused by an Uninsured Auto (Part 3) up to the Compulsory Limits,
4. Damage to Someone Else's Property (Part 4) up to the Compulsory Limit,

for the leased auto shown in the Coverage Selections Page or Schedule to any person or entity and to that person's agents or employees.

B. Any coverage provided for:

1. Amounts over the compulsory limit for Damage to Someone Else's Property (Part 4),
2. Optional Bodily Injury to Others (Part 5),

for a leased auto may also be applied to the person or entity leasing an auto to the insured, and to that person's or entity's agents or employees, only while the leased auto is being used by the insured or on the insured's behalf.

Attach endorsement AC 03 19 MA, Additional Insured - Lessor – Massachusetts.

OPTIONAL LIMITS AND ENDORSEMENTS**12.17. Vehicle Under Construction**

This endorsement is available for vehicles under active restoration or new builds. Physical damage coverage is enhanced by adding:

- A. A mid-term increase to the vehicle's Guaranteed Value® of 10% per quarter, subject to a maximum of \$25,000 during the policy term.
 1. Upon expiration of the policy period, the limit reverts back to the Guaranteed Value® shown in the [Declarations Coverage Selections Page or Schedule](#).
 2. This amount is used to process the renewal unless a change in the amount of insurance is requested, to which we must also agree.
- B. Coverage for direct and accidental loss of, or damage to, Automotive Tools used for any covered auto of \$750, subject to a deductible of \$25.

“Automotive Tools”, includes tools and portable equipment used in the maintenance of collector vehicles. This also includes:

 1. Portable carts or cases used to store covered tools; and
 2. Accessories for covered tools whether attached or not.

See rate pages for the applicable premium per vehicle.

Attach endorsement AC 00 50 MA, Vehicle Under Construction Endorsement - Massachusetts.

16. BOOK TRANSFER PREMIUM STABILIZATION

The Book Transfer Premium Stabilization rule is applied when transitioning significant business from a non-Essentia company to the Essentia Insurance Company Antique & Classic Automobile Program. In order to qualify, such transitions must constitute at least \$50,000 of premium.

Book Transfer Premium Stabilization will be calculated as follows:

- A. Calculate the Essentia Insurance Company's Antique & Classic Automobile Program premium based on the current information of the policyholder.
- B. Determine the Book Transfer Premium Stabilization factor calculated based on the ratio between the current company's renewal premium and the policyholder's unadjusted developed premium.
- C. Ensuing terms will transition the Book Transfer Premium Stabilization factor* toward 1.000 according to one of the methods below. In order for the policy to reach full manual rates in 3 years, the method that produces the greatest movement will be utilized.
 - 1. Multiply the previous term's Book Transfer Premium Stabilization factor by the corresponding Renewal Adjustment Factor below.

<u>Prior Term Book Transfer Premium Stabilization Factor</u>	<u>Renewal Adjustment Factor</u>
>2.500	0.800
2.500 – 1.667	0.825
1.666 – 1.333	0.850
1.332 – 1.250	0.875
1.249 – 1.177	0.900
1.176 – 1.111	0.925
1.110 – 1.053	0.950
1.052 – 1.026	Unrestricted**
1.025 – 0.977	Unrestricted**
0.976 – 0.953	Unrestricted**
0.952 – 0.909	1.050
0.908 – 0.870	1.075
0.869 – 0.833	1.100
0.832 – 0.800	1.125
0.799 – 0.714	1.150
0.713 – 0.625	1.175
< 0.625	1.200

* The output of step B. for the first renewal, and the output of step C. for subsequent renewals.

** Unrestricted = Move the Book Transfer Premium Stabilization factor to 1.000.

- 2. Multiply the previous term's Book Transfer Premium Stabilization factor by the Renewal Adjustment Factor = $(1/\text{Prior Term Book Transfer Premium Stabilization Factor})^{(1/n)}$, where n = number of remaining transition periods.

16. BOOK TRANSFER PREMIUM STABILIZATION

The Book Transfer Premium Stabilization rule is applied when transitioning significant business from a non-Essentia company to the Essentia Insurance Company Antique & Classic Automobile Program. In order to qualify, such transitions must constitute at least \$50,000 of premium.

Book Transfer Premium Stabilization will be calculated as follows:

- A. Calculate the Essentia Insurance Company’s Antique & Classic Automobile Program premium based on the current information of the policyholder.
- B. Determine the Book Transfer Premium Stabilization factor calculated based on the ratio between the current company’s renewal premium and the policyholder’s unadjusted developed premium.
- C. Ensuing terms will transition the Book Transfer Premium Stabilization factor* toward 1.000 according to one of the methods below. In order for the policy to reach full manual rates in 3 years, the method that produces the greatest movement will be utilized.
 - 1. Multiply the previous term’s Book Transfer Premium Stabilization factor by the corresponding Renewal Adjustment Factor below.

Prior Term Book Transfer Premium Stabilization Factor	Renewal Adjustment Factor
>2.500	0.800
2.500 – 1.667	0.825
1.666 – 1.333	0.850
1.332 – 1.250	0.875
1.249 – 1.177	0.900
1.176 – 1.111	0.925
1.110 – 1.053	0.950
1.052 – 1.026	Unrestricted**
1.025 – 0.977	Unrestricted**
0.976 – 0.953	Unrestricted**
0.952 – 0.909	1.050
0.908 – 0.870	1.075
0.869 – 0.833	1.100
0.832 – 0.800	1.125
0.799 – 0.714	1.150
0.713 – 0.625	1.175
< 0.625	1.200

* The output of step B. for the first renewal, and the output of step C. for subsequent renewals.

** Unrestricted = Move the Book Transfer Premium Stabilization factor to 1.000.

- 2. Multiply the previous term’s Book Transfer Premium Stabilization factor by the Renewal Adjustment Factor = $(1/\text{Prior Term Book Transfer Premium Stabilization Factor})^{(1/n)}$, where n = number of remaining transition periods.

3. PREMIUM DETERMINATION

- A. Wherever rounding is shown in this rule, this means rounding to the nearest whole dollar.
1. Rating Bodily Injury Liability, Optional BI to Others, Damage to Someone Else's Property, Motorcycle Guest Occupant Liability, Medical Payments, Personal Injury Protection, and Increased BI caused by an Uninsured Auto and BI cause by an Underinsured Auto:

Calculate the policy's premiums as follows:

- a. Determine the number of vehicles with each coverage on the policy.
 - b. For each vehicle, multiply any applicable model year and vehicle modification factor found in the state rate pages. This is the vehicle's class factor, for purposes of this section.
 - (1) For single vehicle policies, or policies with 2 or 3 vehicles of the same class, find the applicable coverage base premium and multiply it by the applicable class factor.
 - (2) For policies with 2 or 3 vehicles of different classes, find the applicable coverage base premium. Calculate the average of the class factors and multiply by the coverage base premium.
 - (3) For policies with more than 3 vehicles, find the applicable coverage base premium. Average the class factors for the three vehicles with the highest factors. Multiply the coverage premium by this averaged class factor.
 - c. Multiply the above by any applicable vehicle level discount, surcharge or any other factor.
 - d. Multiply the above by any applicable coverage level discount, surcharge or any other factor.
 - e. Multiply the above by any applicable policy level discount, surcharge or any other factor.
 - ~~e.f.~~ f. Multiply by the Paid-In-Full Discount and round.
2. Physical Damage Rating
 - a. See State Rate Pages for applicable coverage base rate per \$100 for the vehicle.
 - b. Multiply by any applicable vehicle symbol factor.
 - c. Multiply by any applicable vehicle value band factor.
 - d. Multiply by vehicle type factor.
 - e. Multiply by number of vehicles factor.
 - f. Multiply by model year/modified group factor.
 - g. Multiply by Cherished Salvage[®] factor in the rate pages (if applicable).
 - h. Multiply by the waiver of subrogation factor in the rate pages (if applicable).
 - i. Select deductible option and multiply by deductible factor.
 - j. Multiply by applicable garaging factor.
 - k. Multiply by applicable years licensed adjustment factor.
 - l. Multiply by the vehicle's insured value/100.
 - m. Multiply the above by any applicable vehicle level discount, surcharge or any other factor.
 - n. Multiply the above by any applicable coverage level discount, surcharge or any other factor.
 - o. Multiply the above by any applicable policy level discount, surcharge or any other factor.
 - ~~e.p.~~ p. Multiply by the Paid-In-Full Discount and round.

3. PREMIUM DETERMINATION (cont'd)

3. Other

Add any optional policy or vehicle endorsements and round.

4. ~~Paid-in-Full Discount~~Book Transfer Premium Stabilization

~~If this discount is applicable, multiply the policy premium by the Paid-in-Full Discount Factor~~
Apply the Book Transfer Premium Stabilization rule, if applicable, and round.

5. Applicable State Assessments

None.

B. Refer to Rule 5. for Minimum Premium rules.

4. PREMIUM DISCOUNTS AND SURCHARGES

A. The following discounts are available:

1. Anti-Theft Device

Vehicles Equipped With Anti-Theft Devices

These discounts apply to Comprehensive Coverage only. To qualify, the vehicle must meet the criteria of section a., b., or c. below. If a vehicle is equipped with more than one qualifying device, only the single highest discount shall apply. Refer to company for required evidence of installation of anti-theft devices meeting the following criteria prior to granting a discount.

a. Alarm ONLY or Active Disabling Devices

A 5% discount on Comprehensive Coverage shall be afforded on all vehicles equipped with a hood lock which can be released only from inside the vehicle, and

- (1) Alarm only devices which sound an audible alarm that can be heard at a distance of at least 300 feet for a minimum of three minutes, or
- (2) Active disabling devices which disable the vehicle by making the fuel, ignition or starting system inoperative. A disabling device is categorized as active if a separate manual step IS required to engage the device.

Factor: 0.95

b. Passive Disabling Devices

A 15% discount on Comprehensive Coverage shall be afforded on vehicles equipped with a hood lock which can be released only from inside the vehicle and passive disabling devices which disable the vehicle by making the fuel, ignition or starting system inoperative. A disabling device is categorized as passive if a separate manual step is NOT required to engage the device.

Factor: 0.85

c. Homing Device Credit

A 10% credit is available to the vehicle's comprehensive premium if the vehicle is installed with the following system.

Factor: 0.90

The device must meet the following requirements:

- (1) The device or system is designed to transmit a pulse or signal by which the location of the vehicle in which the device or system is installed may be tracked by those receiving the signal;
- (2) The device or system is activated or initiated when a vehicle is stolen or reported stolen to police;
- (3) The pulse or signal either must be transmittable to local and/or state police agencies or to a private central monitoring station which shall have direct communication with the local and/or state police agencies for the purpose of reporting, tracking and monitoring the vehicle; and
- (4) The device or system shall be designed so that information concerning the vehicle's location may be provided to the proper authorities and/or the vehicle's owner or insurer for the purpose of recovering the vehicle.

4. PREMIUM DISCOUNTS AND SURCHARGES (cont'd)

2. Prior Specialty Carrier – New Policy Discount

A discount of \$20 is available for the first policy term (new business only) for any applicant continuously insured for at least one year with a specialty collector vehicle carrier immediately prior to applying for coverage with us. This discount will not apply if the policy is subject to the Book Transfer Premium Stabilization rule.

3. Individual Risk Premium Modification Plan (IRPM)

a. In order for a risk to qualify for application of IRPM credits, our company must insure a collection of:

- (1) 6 or more vehicles with a total minimum value of \$250,000; or
- (2) ~~a~~Any number of vehicles with a total minimum value of \$500,000.

b. The IRPM rating plan credit shall only be applied to the Comprehensive and Collision premiums. The total maximum credit allowed under this plan is 25%.

c. Credits are available for the following risk variations: Security, Type of Storage Structure, and Dispersion of Risk.

(1) Security (1% - 10% Maximum Credit Allowed)

Refer to Rate Pages for discount amounts.

- CENTRAL STATION FIRE & BURGLAR ALARM - A credit is available if there is a central station or direct reporting fire and burglar alarm at the garage where the insured vehicles are kept.
- LOCAL FIRE PROTECTION & BURGLAR ALARMS - A credit is available if there is a fire extinguisher, and local fire and burglar alarms at the garage where the insured vehicles are kept.
- AUTOMATIC SPRINKLERS - A credit is available if an automatic sprinkler system is installed in the garage where the insured vehicles are kept.
- WATCHDOG OR WATCHMAN ON PREMISES - A credit is available if a watchdog or watchman is available on the premises 24 hours a day.
- PADLOCK OR DEADBOLT - A credit is available if padlocks or deadbolts are present at the garage where the insured vehicles are kept.

(2) Type of Storage Structure (1 - 10% Maximum Credit Allowed)

Refer to Rate Pages for discount amounts.

A credit is available for the following types of storage.

- FIRE RESISTIVE - Buildings constructed of any combination of the following materials:

Exterior Walls or Exterior Structural Frame

- Solid masonry, including reinforced concrete
- Hollow masonry less than 12" thick
- Hollow masonry less than 12", but not less than 8" thick, with a fire resistance rating of not less than 2 hours.

Floors and Roof

- Monolithic floors and roof of reinforced concrete with slabs that are at least 4" thick.
- "Joist Systems" with slabs supported by concrete joists spaced no more than 36" on centers with a slab thickness of not less than 2 3/4".
- Floor and roof assemblies with a fire resistance rating of not less than 2 hours.

Structural Metal Supports

- Horizontal and vertical load-bearing protected metal supports with a fire resistance rating of not less than 2 hours.

4. PREMIUM DISCOUNTS AND SURCHARGES (cont'd)

- MODIFIED FIRE RESISTIVE - Buildings with exterior walls, floors and roof constructed of masonry materials that are listed as fire resistive materials, but deficient in thickness; or fire resistive materials that are listed as fire resistive, but with a fire resistance rating of less than 2 hours, but not less than 1 hour.
- MASONRY NON-COMBUSTIBLE - Buildings with exterior walls of fire resistive construction, or of masonry, and with non-combustible or slow burning floors and roof.
- NON-COMBUSTIBLE - Buildings with exterior walls, floors, and roof of non-combustible or slow burning material supported by non-combustible or slow burning supports.
- JOISTED MASONRY - Buildings with exterior walls of fire resistive construction of masonry, and with combustible floors and roof.
- FRAME - Buildings with exterior walls, floors and roof of combustible construction or buildings with exterior walls of non-combustible or slow burning construction, with combustible floors and roof.

(3) Dispersion of Risk (1% - 10% Maximum Credit Allowed).

Refer to Rate Pages for discount amounts.

A credit is available for a risk which is dispersed between a minimum of two locations with common ownership and a minimum value of \$250,000 per location.

4. Experience Rating Plan

- a. In order for a risk to qualify for application of experience rating plan credits, -our company must insure a collection of:
 - (1) 6 or more vehicles with a total minimum value of \$250,000; or
 - (2) ~~a~~Any number of vehicles with a total minimum value of \$500,000.
- b. The experience rating plan credit shall only be applied to the Comprehensive and Collision premium.

5. Paid-In-Full Discount

A discount of 7% applies to the policy term when the full policy premium is paid:

- a. At policy inception for new business; or
- b. By the renewal effective date.

However, an insured on a payment plan that pays in full within 90 days of the inception or renewal will also receive the Paid-In-Full Discount.

Factor: 0.93

6. Portfolio Transfer Discount

A discount will be applied for policies originally written under a non-Essentia insurance company which are converted to the Essentia Classic Automobile program as part of a portfolio transfer. This discount is intended to mitigate the disruption that may be caused as a result of an agent's transition of qualifying business to the Essentia program, and is provided for the first two policy terms.

- a. A 10% discount shall be afforded for the first annual term.
- b. A 5% discount shall be afforded for the second annual term.

This discount will not apply if the policy is subject to the Book Transfer Premium Stabilization rule.

4. PREMIUM DISCOUNTS AND SURCHARGES (cont'd)

B. The following surcharges apply:

1. Years Licensed Rate Adjustment Factor

A rate adjustment factor applies to the named insured/primary operator on the policy. The factor is assigned based on the number of years licensed, up to and including 29+ years, as established by the evidence of licensure.

The rating factor is applied to the policy.

See Rates for applicable factor.

2. High Horsepower Rate Factor

An additional rate factor will be applied to Part 7. Collision for any vehicle with an engine horsepower of 650 or more.

See Rates for applicable collision factor.

OPTIONAL LIMITS AND ENDORSEMENTS**12.4. Foreign Coverage**

Coverage is available for loss or damage to the vehicle while in a foreign country or while being transported by water amongst such countries and the United States. The [Declarations Coverage Selections Page or Schedule](#) must indicate to which countries coverage applies, as well as, which vehicle is carrying foreign coverage. See Rates for applicable premium charge.

A. When our company insures a collection of:

1. 6 or more vehicles with a total minimum value of \$250,000; or
2. ~~a~~Any number of vehicles with a total minimum value of \$500,000,
no additional premium charge applies.

B. For collections not meeting the criteria in A. above, refer to the rate pages for the applicable premium.

Attach endorsement AC 00 21 MA, Foreign Coverage Endorsement - Massachusetts.

OPTIONAL LIMITS AND ENDORSEMENTS

12.6. Custom Features

Coverage for loss or damage to custom features may be limited to \$10,000. The limit for custom features is a part of the total agreed value of the vehicle; it is not an additional limit. If purchased, the per vehicle custom features total limit and premium must be indicated in the Coverage Selections Page or Schedule. See Rates for applicable premium charge.

Attach endorsement AC 00 16 MA, Custom Features Limitation Endorsement - Massachusetts.

OPTIONAL LIMITS AND ENDORSEMENTS**12.7. Additional Insured - Lessor**

A. Coverage may be endorsed to apply:

1. Bodily Injury to Others (Part 1),
2. Personal Injury Protection (Part 2),
3. Bodily Injury Caused by an Uninsured Auto (Part 3) up to the Compulsory Limits,
4. Damage to Someone Else's Property (Part 4) up to the Compulsory Limit,

for the leased auto shown in the Coverage Selections Page or Schedule to any person or entity and to that person's agents or employees.

B. Any coverage provided for:

1. Amounts over the compulsory limit for Damage to Someone Else's Property (Part 4),
2. Optional Bodily Injury to Others (Part 5),

for a leased auto may also be applied to the person or entity leasing an auto to the insured, and to that person's or entity's agents or employees, only while the leased auto is being used by the insured or on the insured's behalf.

Attach endorsement AC 03 19 MA, Additional Insured - Lessor – Massachusetts.

OPTIONAL LIMITS AND ENDORSEMENTS**12.17. Vehicle Under Construction**

This endorsement is available for vehicles under active restoration or new builds. Physical damage coverage is enhanced by adding:

- A. A mid-term increase to the vehicle's Guaranteed Value[®] of 10% per quarter, subject to a maximum of \$25,000 during the policy term.
 - 1. Upon expiration of the policy period, the limit reverts back to the Guaranteed Value[®] shown in the [Declarations Coverage Selections Page or Schedule](#).
 - 2. This amount is used to process the renewal unless a change in the amount of insurance is requested, to which we must also agree.
- B. Coverage for direct and accidental loss of, or damage to, Automotive Tools used for any covered auto of \$750, subject to a deductible of \$25.

"Automotive Tools", includes tools and portable equipment used in the maintenance of collector vehicles. This also includes:

 - 1. Portable carts or cases used to store covered tools; and
 - 2. Accessories for covered tools whether attached or not.

See rate pages for the applicable premium per vehicle.

Attach endorsement AC 00 50 MA, Vehicle Under Construction Endorsement - Massachusetts.

16. BOOK TRANSFER PREMIUM STABILIZATION

The Book Transfer Premium Stabilization rule is applied when transitioning significant business from a non-Essentia company to the Antique & Classic Automobile Program. In order to qualify, such transitions must constitute at least \$50,000 of premium.

Book Transfer Premium Stabilization will be calculated as follows:

- A. Calculate the Antique & Classic Automobile Program premium as normal.
- B. Determine the factor created based on the ratio between the current company’s renewal premium and the policyholder’s unadjusted developed premium.
- C. Ensuing terms will transition the Transfer factor* toward 1.000 according to one of the methods below. In order for the policy to reach full manual rates in 3 years, the method that produces the greatest movement will be utilized.
 - 1. Multiply the previous term’s Book Transfer Premium Stabilization factor by the corresponding factor below.
 - 2. Multiply the previous term’s Book Transfer Premium Stabilization factor by the Adjustment Factor = $(1/\text{Prior Term Transfer Factor})^{(1/n)}$, where n = number of remaining transition periods.

<u>Prior Term Book Transfer Premium Stabilization Factor</u>	<u>Annual Renewal Factor</u>
>2.500	0.800
2.500 – 1.667	0.825
1.666 – 1.333	0.850
1.332 – 1.250	0.875
1.249 – 1.177	0.900
1.176 – 1.111	0.925
1.110 – 1.053	0.950
1.052 – 1.026	Unrestricted**
1.025 – 0.977	Unrestricted**
0.976 – 0.953	Unrestricted**
0.952 – 0.909	1.050
0.908 – 0.870	1.075
0.869 – 0.833	1.100
0.832 – 0.800	1.125
0.799 – 0.714	1.150
0.713 – 0.625	1.175
< 0.625	1.200

* The output of step B for the first renewal, and the output of step C for subsequent renewals.

** Unrestricted = Move the Book Transfer Premium Stabilization factor to 1.000.

16. BOOK TRANSFER PREMIUM STABILIZATION

The Book Transfer Premium Stabilization rule is applied when transitioning significant business from a non-Essentia company to the Antique & Classic Automobile Program. In order to qualify, such transitions must constitute at least \$50,000 of premium.

Book Transfer Premium Stabilization will be calculated as follows:

- A. Calculate the Antique & Classic Automobile Program premium as normal.
- B. Determine the factor created based on the ratio between the current company's renewal premium and the policyholder's unadjusted developed premium.
- C. Ensuing terms will transition the Transfer factor* toward 1.000 according to one of the methods below. In order for the policy to reach full manual rates in 3 years, the method that produces the greatest movement will be utilized.
 1. Multiply the previous term's Book Transfer Premium Stabilization factor by the corresponding factor below.
 2. Multiply the previous term's Book Transfer Premium Stabilization factor by the Adjustment Factor = $(1/\text{Prior Term Transfer Factor})^{(1/n)}$, where n = number of remaining transition periods.

Prior Term Book Transfer Premium Stabilization Factor	Annual Renewal Factor
>2.500	0.800
2.500 – 1.667	0.825
1.666 – 1.333	0.850
1.332 – 1.250	0.875
1.249 – 1.177	0.900
1.176 – 1.111	0.925
1.110 – 1.053	0.950
1.052 – 1.026	Unrestricted**
1.025 – 0.977	Unrestricted**
0.976 – 0.953	Unrestricted**
0.952 – 0.909	1.050
0.908 – 0.870	1.075
0.869 – 0.833	1.100
0.832 – 0.800	1.125
0.799 – 0.714	1.150
0.713 – 0.625	1.175
< 0.625	1.200

* The output of step B for the first renewal, and the output of step C for subsequent renewals.

** Unrestricted = Move the Book Transfer Premium Stabilization factor to 1.000.

3. PREMIUM DETERMINATION

A. Wherever rounding is shown in this rule, this means rounding to the nearest whole dollar.

1. Rating Bodily Injury Liability, Optional BI to Others, Damage to Someone Else's Property, Motorcycle Guest Occupant Liability, Medical Payments, Personal Injury Protection, and Increased BI caused by an Uninsured Auto and BI cause by an Underinsured Auto:

Calculate the policy's premiums as follows:

- a. Determine the number of vehicles with each coverage on the policy.
- b. For each vehicle, multiply any applicable model year and vehicle modification factor found in the state rate pages. This is the vehicle's class factor, for purposes of this section.
 - (1) For single vehicle policies, or policies with 2 or 3 vehicles of the same class, find the applicable coverage base premium and multiply it by the applicable class factor.
 - (2) For policies with 2 or 3 vehicles of different classes, find the applicable coverage base premium. Calculate the average of the class factors and multiply by the coverage base premium.
 - (3) For policies with more than 3 vehicles, find the applicable coverage base premium. Average the class factors for the three vehicles with the highest factors. Multiply the coverage premium by this averaged class factor.

c. Multiply the above by any applicable vehicle level discount, surcharge or any other factor.

d. Multiply the above by any applicable coverage level discount, surcharge or any other factor.

e. Multiply the above by any applicable policy level discount, surcharge or any other factor.

e-f. Multiply by the Paid-In-Full Discount and round.

2. Physical Damage Rating

a. See State Rate Pages for applicable coverage base rate per \$100 for the vehicle.

b. Multiply by any applicable vehicle symbol factor.

c. Multiply by any applicable vehicle value band factor.

d. Multiply by vehicle type factor.

e. Multiply by number of vehicles factor.

f. Multiply by model year/modified group factor.

g. Multiply by Cherished Salvage[®] factor in the rate pages (if applicable).

h. Multiply by the waiver of subrogation factor in the rate pages (if applicable).

i. Select deductible option and multiply by deductible factor.

j. Multiply by applicable garaging factor.

k. Multiply by applicable years licensed adjustment factor.

l. Multiply by the vehicle's insured value/100.

m. Multiply the above by any applicable vehicle level discount, surcharge or any other factor.

n. Multiply the above by any applicable coverage level discount, surcharge or any other factor.

o. Multiply the above by any applicable policy level discount, surcharge or any other factor.

o-p. Multiply by the Paid-In-Full Discount and round.

3. PREMIUM DETERMINATION (cont'd)

3. Other

Add any optional policy or vehicle endorsements and round.

4. ~~Paid-in-Full Discount~~ Book Transfer Premium Stabilization

~~If this discount is applicable, multiply the policy premium by the Paid-in-Full Discount Factor~~
Apply the Book Transfer Premium Stabilization rule, if applicable, and round.

5. Applicable State Assessments

None.

B. Refer to Rule 5. for Minimum Premium rules.

4. PREMIUM DISCOUNTS AND SURCHARGES

A. The following discounts are available:

1. Anti-Theft Device

Vehicles Equipped With Anti-Theft Devices

These discounts apply to Comprehensive Coverage only. To qualify, the vehicle must meet the criteria of section a., b., or c. below. If a vehicle is equipped with more than one qualifying device, only the single highest discount shall apply. Refer to company for required evidence of installation of anti-theft devices meeting the following criteria prior to granting a discount.

a. Alarm ONLY or Active Disabling Devices

A 5% discount on Comprehensive Coverage shall be afforded on all vehicles equipped with a hood lock which can be released only from inside the vehicle, and

- (1) Alarm only devices which sound an audible alarm that can be heard at a distance of at least 300 feet for a minimum of three minutes, or
- (2) Active disabling devices which disable the vehicle by making the fuel, ignition or starting system inoperative. A disabling device is categorized as active if a separate manual step IS required to engage the device.

Factor: 0.95

b. Passive Disabling Devices

A 15% discount on Comprehensive Coverage shall be afforded on vehicles equipped with a hood lock which can be released only from inside the vehicle and passive disabling devices which disable the vehicle by making the fuel, ignition or starting system inoperative. A disabling device is categorized as passive if a separate manual step is NOT required to engage the device.

Factor: 0.85

c. Homing Device Credit

A 10% credit is available to the vehicle's comprehensive premium if the vehicle is installed with the following system.

Factor: 0.90

The device must meet the following requirements:

- (1) The device or system is designed to transmit a pulse or signal by which the location of the vehicle in which the device or system is installed may be tracked by those receiving the signal;
- (2) The device or system is activated or initiated when a vehicle is stolen or reported stolen to police;
- (3) The pulse or signal either must be transmittable to local and/or state police agencies or to a private central monitoring station which shall have direct communication with the local and/or state police agencies for the purpose of reporting, tracking and monitoring the vehicle; and
- (4) The device or system shall be designed so that information concerning the vehicle's location may be provided to the proper authorities and/or the vehicle's owner or insurer for the purpose of recovering the vehicle.

4. PREMIUM DISCOUNTS AND SURCHARGES (cont'd)

2. Prior Specialty Carrier – New Policy Discount

A discount of \$20 is available for the first policy term (new business only) for any applicant continuously insured for at least one year with a specialty collector vehicle carrier immediately prior to applying for coverage with us. This discount will not apply if the policy is subject to the Book Transfer Premium Stabilization rule.

3. Individual Risk Premium Modification Plan (IRPM)

a. In order for a risk to qualify for application of IRPM credits, our company must insure a collection of:

- (1) 6 or more vehicles with a total minimum value of \$250,000; or
- (2) ~~a~~Any number of vehicles with a total minimum value of \$500,000.

b. The IRPM rating plan credit shall only be applied to the Comprehensive and Collision premiums. The total maximum credit allowed under this plan is 25%.

c. Credits are available for the following risk variations: Security, Type of Storage Structure, and Dispersion of Risk.

(1) Security (1% - 10% Maximum Credit Allowed)

Refer to Rate Pages for discount amounts.

- CENTRAL STATION FIRE & BURGLAR ALARM - A credit is available if there is a central station or direct reporting fire and burglar alarm at the garage where the insured vehicles are kept.
- LOCAL FIRE PROTECTION & BURGLAR ALARMS - A credit is available if there is a fire extinguisher, and local fire and burglar alarms at the garage where the insured vehicles are kept.
- AUTOMATIC SPRINKLERS - A credit is available if an automatic sprinkler system is installed in the garage where the insured vehicles are kept.
- WATCHDOG OR WATCHMAN ON PREMISES - A credit is available if a watchdog or watchman is available on the premises 24 hours a day.
- PADLOCK OR DEADBOLT - A credit is available if padlocks or deadbolts are present at the garage where the insured vehicles are kept.

(2) Type of Storage Structure (1 - 10% Maximum Credit Allowed)

Refer to Rate Pages for discount amounts.

A credit is available for the following types of storage.

- FIRE RESISTIVE - Buildings constructed of any combination of the following materials:

Exterior Walls or Exterior Structural Frame

- Solid masonry, including reinforced concrete
- Hollow masonry less than 12" thick
- Hollow masonry less than 12", but not less than 8" thick, with a fire resistance rating of not less than 2 hours.

Floors and Roof

- Monolithic floors and roof of reinforced concrete with slabs that are at least 4" thick.
- "Joist Systems" with slabs supported by concrete joists spaced no more than 36" on centers with a slab thickness of not less than 2 3/4".
- Floor and roof assemblies with a fire resistance rating of not less than 2 hours.

Structural Metal Supports

- Horizontal and vertical load-bearing protected metal supports with a fire resistance rating of not less than 2 hours.

4. PREMIUM DISCOUNTS AND SURCHARGES (cont'd)

- MODIFIED FIRE RESISTIVE - Buildings with exterior walls, floors and roof constructed of masonry materials that are listed as fire resistive materials, but deficient in thickness; or fire resistive materials that are listed as fire resistive, but with a fire resistance rating of less than 2 hours, but not less than 1 hour.
- MASONRY NON-COMBUSTIBLE - Buildings with exterior walls of fire resistive construction, or of masonry, and with non-combustible or slow burning floors and roof.
- NON-COMBUSTIBLE - Buildings with exterior walls, floors, and roof of non-combustible or slow burning material supported by non-combustible or slow burning supports.
- JOISTED MASONRY - Buildings with exterior walls of fire resistive construction of masonry, and with combustible floors and roof.
- FRAME - Buildings with exterior walls, floors and roof of combustible construction or buildings with exterior walls of non-combustible or slow burning construction, with combustible floors and roof.

(3) Dispersion of Risk (1% - 10% Maximum Credit Allowed).

Refer to Rate Pages for discount amounts.

A credit is available for a risk which is dispersed between a minimum of two locations with common ownership and a minimum value of \$250,000 per location.

4. Experience Rating Plan

- a. In order for a risk to qualify for application of experience rating plan credits, our company must insure a collection of:
 - (1) 6 or more vehicles with a total minimum value of \$250,000; or
 - (2) any number of vehicles with a total minimum value of \$500,000.
- b. The experience rating plan credit shall only be applied to the Comprehensive and Collision premium.

5. Paid-In-Full Discount

A discount of 7% applies to the policy term when the full policy premium is paid:

- a. At policy inception for new business; or
- b. By the renewal effective date.

However, an insured on a payment plan that pays in full within 90 days of the inception or renewal will also receive the Paid-In-Full Discount.

Factor: 0.93

6. Portfolio Transfer Discount

A discount will be applied for policies originally written under a non-Essentia insurance company which are converted to the Essentia Classic Automobile program as part of a portfolio transfer. This discount is intended to mitigate the disruption that may be caused as a result of an agent's transition of qualifying business to the Essentia program, and is provided for the first two policy terms.

- a. A 10% discount shall be afforded for the first annual term.
- b. A 5% discount shall be afforded for the second annual term.

This discount will not apply if the policy is subject to the Book Transfer Premium Stabilization rule.

4. PREMIUM DISCOUNTS AND SURCHARGES (cont'd)

B. The following surcharges apply:

1. Years Licensed Rate Adjustment Factor

A rate adjustment factor applies to the named insured/primary operator on the policy. The factor is assigned based on the number of years licensed, up to and including 29+ years, as established by the evidence of licensure.

The rating factor is applied to the policy.

See Rates for applicable factor.

2. High Horsepower Rate Factor

An additional rate factor will be applied to Part 7. Collision for any vehicle with an engine horsepower of 650 or more.

See Rates for applicable collision factor.

OPTIONAL LIMITS AND ENDORSEMENTS**12.4. Foreign Coverage**

Coverage is available for loss or damage to the vehicle while in a foreign country or while being transported by water amongst such countries and the United States. The ~~Declarations~~ Coverage Selections Page or Schedule must indicate to which countries coverage applies, as well as, which vehicle is carrying foreign coverage. See Rates for applicable premium charge.

A. When our company insures a collection of:

1. 6 or more vehicles with a total minimum value of \$250,000; or
2. ~~a~~Any number of vehicles with a total minimum value of \$500,000,
no additional premium charge applies.

B. For collections not meeting the criteria in A. above, refer to the rate pages for the applicable premium.

Attach endorsement AC 00 21 MA, Foreign Coverage Endorsement - Massachusetts.

OPTIONAL LIMITS AND ENDORSEMENTS

12.6. Custom Features

Coverage for loss or damage to custom features may be limited to \$10,000. The limit for custom features is a part of the total agreed value of the vehicle; it is not an additional limit. If purchased, the per vehicle custom features total limit and premium must be indicated in the Coverage Selections Page or Schedule. See Rates for applicable premium charge.

Attach endorsement AC 00 16 MA, Custom Features Limitation Endorsement - Massachusetts.

OPTIONAL LIMITS AND ENDORSEMENTS**12.7. Additional Insured - Lessor**

A. Coverage may be endorsed to apply:

1. Bodily Injury to Others (Part 1),
2. Personal Injury Protection (Part 2),
3. Bodily Injury Caused by an Uninsured Auto (Part 3) up to the Compulsory Limits,
4. Damage to Someone Else's Property (Part 4) up to the Compulsory Limit,

for the leased auto shown in the Coverage Selections Page or Schedule to any person or entity and to that person's agents or employees.

B. Any coverage provided for:

1. Amounts over the compulsory limit for Damage to Someone Else's Property (Part 4),
2. Optional Bodily Injury to Others (Part 5),

for a leased auto may also be applied to the person or entity leasing an auto to the insured, and to that person's or entity's agents or employees, only while the leased auto is being used by the insured or on the insured's behalf.

Attach endorsement AC 03 19 MA, Additional Insured - Lessor – Massachusetts.

OPTIONAL LIMITS AND ENDORSEMENTS**12.17. Vehicle Under Construction**

This endorsement is available for vehicles under active restoration or new builds. Physical damage coverage is enhanced by adding:

- A. A mid-term increase to the vehicle's Guaranteed Value[®] of 10% per quarter, subject to a maximum of \$25,000 during the policy term.
 1. Upon expiration of the policy period, the limit reverts back to the Guaranteed Value[®] shown in the [Declarations Coverage Selections Page or Schedule](#).
 2. This amount is used to process the renewal unless a change in the amount of insurance is requested, to which we must also agree.
- B. Coverage for direct and accidental loss of, or damage to, Automotive Tools used for any covered auto of \$750, subject to a deductible of \$25.

"Automotive Tools", includes tools and portable equipment used in the maintenance of collector vehicles. This also includes:

 1. Portable carts or cases used to store covered tools; and
 2. Accessories for covered tools whether attached or not.

See rate pages for the applicable premium per vehicle.

Attach endorsement AC 00 50 MA, Vehicle Under Construction Endorsement - Massachusetts.

16. BOOK TRANSFER PREMIUM STABILIZATION

The Book Transfer Premium Stabilization rule is applied when transitioning significant business from a non-Essentia company to the Antique & Classic Automobile Program. In order to qualify, such transitions must constitute at least \$50,000 of premium.

Book Transfer Premium Stabilization will be calculated as follows:

- A. Calculate the Antique & Classic Automobile Program premium as normal.
- B. Determine the factor created based on the ratio between the current company’s renewal premium and the policyholder’s unadjusted developed premium.
- C. Ensuing terms will transition the Transfer factor* toward 1.000 according to one of the methods below. In order for the policy to reach full manual rates in 3 years, the method that produces the greatest movement will be utilized.
 - 1. Multiply the previous term’s Book Transfer Premium Stabilization factor by the corresponding factor below.
 - 2. Multiply the previous term’s Book Transfer Premium Stabilization factor by the Adjustment Factor = $(1/\text{Prior Term Transfer Factor})^{(1/n)}$, where n = number of remaining transition periods.

<u>Prior Term Book Transfer Premium Stabilization Factor</u>	<u>Annual Renewal Factor</u>
<u>>2.500</u>	<u>0.800</u>
<u>2.500 – 1.667</u>	<u>0.825</u>
<u>1.666 – 1.333</u>	<u>0.850</u>
<u>1.332 – 1.250</u>	<u>0.875</u>
<u>1.249 – 1.177</u>	<u>0.900</u>
<u>1.176 – 1.111</u>	<u>0.925</u>
<u>1.110 – 1.053</u>	<u>0.950</u>
<u>1.052 – 1.026</u>	<u>Unrestricted**</u>
<u>1.025 – 0.977</u>	<u>Unrestricted**</u>
<u>0.976 – 0.953</u>	<u>Unrestricted**</u>
<u>0.952 – 0.909</u>	<u>1.050</u>
<u>0.908 – 0.870</u>	<u>1.075</u>
<u>0.869 – 0.833</u>	<u>1.100</u>
<u>0.832 – 0.800</u>	<u>1.125</u>
<u>0.799 – 0.714</u>	<u>1.150</u>
<u>0.713 – 0.625</u>	<u>1.175</u>
<u>< 0.625</u>	<u>1.200</u>

* The output of step B for the first renewal, and the output of step C for subsequent renewals.

** Unrestricted = Move the Book Transfer Premium Stabilization factor to 1.000.