

2015
MEMORANDUM OF CHANGES

1. Rule 11 – includes the Policy Characteristics factor in the the premium calculation for clarity.
2. Rule 19
 - a. Account Credit Eligibility
 - b. Advance Purchase Discount - changes to eligibility and application of credit
 - c. Hardship Rule
3. Rule 26 - revised rating factors
4. Rule 35 – Policy Characteristics Factor is introduced
5. Rule 54 - Merit Rating factor changes

J. Student Away at School

The Student Away at School Discount applies provided the following criteria are met:

1. Eligibility

- a. The rated operator is classified in one of the following inexperienced operator classes: 17, 18, 20, 21, 25 or 26.
- b. The rated operator is a student residing at an educational institution over 100 road miles from the automobile's principal place of garaging.
- c. The student does not operate the covered vehicle while away at school more than 15 days per calendar year.

2. Verification

The company requires the producer of record to retain verification when the credit is requested indicating that the student has met the eligibility requirements of 1 above.

- 3. Application of Discount** The discount will be applied to Coverage Parts 1, 2, 4, 5, 7, and 9. Discount must be requested again at each renewal. Refer to the Miscellaneous Rating Factors page for applicable discount.

K. Hardship

If the removal of a deceased rated operator during the middle of a policy term, or subsequent to a renewal offer having been issued for an upcoming policy term, will result in an increase in premium, N&D may, upon request, apply a credit equal to the increase, until the next renewal term.

Rule 20. MODEL YEAR RATING

A. Model Year Defined

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

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

B. Rating of Model Years Not Shown on Rate Pages

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

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

C. VEHICLE

The following Vehicle factors shall be applied to the base rates for the applicable coverage parts 1, 2, 4, 5, 7 listed below.

DESCRIPTION	COVERAGE PARTS	
	LIABILITY (1, 2, 4 & 5)	COLLISION (7)
AGE: YEARS		
0-1	0.980	N/A
2-3	0.990	N/A
4-5	1.000	N/A
6+	1.010	N/A
COUNT: PPA & OTHER		
1	1.000	1.000
2	0.975	0.975
3	0.940	0.940
4	0.930	0.930
5	0.930	0.930
6+	0.930	0.930
LIABILITY ONLY	1.025	N/A
PER ACCIDENT BI LIMIT		
<100,000	N/A	1.00
>=100,000, <300,000	N/A	0.95
>=300,000	N/A	0.925
SYMBOL / MODEL YEAR		
<=16 / 2010 & PRIOR	1.000	N/A
>=17 / 2010 & PRIOR	0.990	N/A
<=29 / 2011 & LATER	1.000	N/A
>=30 / 2011 & LATER	0.990	N/A
TYPE		
NON-PPA ON POLICY	N/A	1.010

Definitions:

1. **Vehicle Age:**
The age of the vehicle in years for which the rates will apply. If the model year of the vehicle is the same year in which the policy is written, then the age is 1. Example vehicle year = 2012, policy effective date = 05/01/2012, vehicle age = 1. If the model year of the vehicle was 2013, with the same example, then the vehicle age would be 0.
2. **Count:**
The number of items insured under the policy.
3. **Liability Only:**
The vehicle is being rated with coverage parts 1, 2, 4, and 5 (Bodily Injury to Others, Personal Injury Protection, Damage to Someone Else's Property, and Optional Bodily Injury to Others, respectively).
4. **Symbol:**
A number assigned to the vehicle by the Insurance Services Office (ISO) based on the vehicle's industry loss experience.
5. **Non-PPA On Policy:**
Not a private passenger automobile. (i.e. motorcycle or trailer)

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