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**2016**  
**MEMORANDUM OF CHANGES**

1. Rule 37 – Policy Characteristics Factor enhanced
2. Rule 19.F – Book Transfer Discount
3. Rule 19.L – Transition Rule
4. Page i – Table of Contents
5. Rule 11 – Premium Calculation Rule

Coverage Parts may be subject to more than one factor. The order of the rating factors shall be (1) Annual Mileage, (2) Category, (3) Years Licensed, (4) Anti-theft, (5) Advanced Driver Training, (6) Account, (7) Good Student, (8) Hybrid Vehicle, (9) Student Away at School, (10) Driver/Car Matrix, (11) Book Transfer, (12) Risk, (13) Vehicle, (14) Advance Purchase, (15) Policy Characteristics, (16) Transition (17) Class 15. The premium shall be rounded after each rating factor is applied, except as noted in this rule.

**For Tiers 1 - 3, the Tier Factor as shown in Rule 29. Column B shall apply to the MAIP rate as approved and on file with the MA DOI as of the effective date of the policy. Refer to the MAIP manual for additional rates, rules, and territory definitions. The Tier Factor shall be applied immediately prior to the application of the Class 15 discount.**

**RULE 12. WHOLE DOLLAR PREMIUM RULE**

The premium for each exposure shall be rounded at each step to the nearest whole dollar, separately for each coverage provided by the policy.

A premium involving \$0.50 or more shall be rounded to the next whole dollar at the end of each step. This does not apply to Part 5, 20/40 limits and Part 6, \$5,000 limit where rates displayed in the manual may be used or rounded to the lower whole dollar.

This procedure shall apply to all interim premium adjustments, including endorsements or cancellations at the request of the insured. In the case of cancellation by the company, the return premium may be carried to the next higher whole dollar.

**NOTE:** The premium for "each exposure" means the premium developed for each coverage, for each automobile after the application of all applicable discounts.

**RULE 13. INSTALLMENT PAYMENT OF PREMIUMS**

All motor vehicle insurance policy premium charges are due and payable on the effective date of the policy, subject to the provisions of the Deposit Premium Rule (Rule 14), unless an installment payment plan is used.

**RULE 14. DEPOSIT PREMIUM RULE**

A company, its producer or any broker may require deposit premium prior to the issuance of a policy provided the per vehicle deposit does not exceed 30% of the applicable annual premium for the insurance requested. If the applicant has been in default in the payment of any premium for automobile insurance or merit rating charge during the preceding 24 months, the entire policy premium charges may be payable in advance.

**RULE 15. EMPLOYERS SUBJECT TO MASSACHUSETTS WORKERS' COMPENSATION ACT**

Motor vehicles owned by an employer subject to the Massachusetts workers' compensation law not used at any time to transport persons other than employees of the named insured shall be eligible for a 25% reduction in the Personal Injury Protection premium otherwise applicable. A vehicle which qualifies for this reduction is not eligible for any Personal Injury Protection deductible.

**RULE 16. DEDUCTIBLES - PARTS 7, 8 and 9**

Deductibles, higher than the standard deductible, are available for Collision, Limited Collision and Comprehensive Coverages. Refer to the Miscellaneous Rating Factors page for applicable factors.

**RULE 17. SUBSTITUTE TRANSPORTATION**

The charges for this coverage are on a per vehicle/per year basis for automobiles and motorcycles. Refer to the Miscellaneous Rating Factors page for applicable limits and premiums.

## **F. Book Transfer**

The Book Transfer discount applies provided the following criteria are met:

### **1. Eligibility**

- a. Discount applies to new business that is part of an agreed book transfer from a designated company in the agent's office.
- b. Policies are not eligible for both the Transition Rating Factor and the Book Transfer Discount.

### **2. Application of Discount**

- a. The discount will apply to Coverage Parts 1, 2, 4, 5, 7, and 9.
- b. Refer to the Miscellaneous Rating Factors page for applicable discount.
- c. Discount will decrease 1% at each renewal and be eliminated upon the 5<sup>th</sup> renewal.

## **G. Class 15**

Premiums otherwise applicable to class 10 automobiles shall be reduced by 25% for insureds age 65 or older. The policyholder is required to notify the company of any change in operator usage which would affect entitlement to the discount.

The 25% discount is applied to the final premium for each part after all other discounts and rating factors have been completed. It is the last step in the rating process prior to the application of the merit rating.

## **H. Good Student**

A discount will be applied to Coverage Parts 1, 2, 4, 5 and 7 for eligible policyholders on request, when the operators assigned to that auto is eligible for a Good Student discount.

### **1. Eligibility**

- a. The listed operator assigned to that auto meets the following requirements:
  1. Is classified as use class 17, 18, 20, 21, 25, or 26, and
  2. Is enrolled full time in: high school, home study group, college, or university.
- b. Has met one of the following requirements at the issuance date of a new policy or renewal policy:
  1. Is in the upper 20% of his or her class scholastically.
  2. Maintains a "B" average or higher, or its equivalent, or if the letter grading system cannot be averaged then no grade can be below "B".
  3. When in a school maintaining a numerical grade, must have at least a 3.0 in a 4, 3, 2, 1 point system or its equivalent.
  4. Student is on a "Dean's List", "Honor Roll" or comparable list showing scholastic achievement.

### **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 for the immediately preceding semester.

### **3. Application of Discount**

- a. The applicable discount applies to rates otherwise determined for each insured vehicle by coverage, limits purchased, territory, driver class, and model year and symbol prior to the application of points under a merit rating plan.
- b. The discount shall apply to any vehicle that is classified and rated as a private passenger auto.
- c. Refer to the Miscellaneous Rating Factors page for the applicable discount.
- d. A classification change resulting from a change in the scholastic standing of the student can be effected between anniversary dates of the policy, and must be requested again at each renewal.

## **I. Hybrid/Electric Vehicle**

A discount will be applied to Coverage Parts 1, 2, 4, 5 and 9 for a qualified vehicle as listed below:

- a. Hybrid vehicle that uses two or more distinct power sources to propel the vehicle.
- b. Electric vehicle that uses one or more electric motors to propel the vehicle.

**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

**Rule 21. CATEGORY RATING AND CATEGORY RATING FACTORS**

**A. Introduction**

1. Assign a Rating Category to each auto in accordance with Paragraphs B and C of this Rule.
2. Determine the appropriate Category Rating Factor from the table below, and apply the factor in determining the premium for the auto in accordance with paragraph D. of this Rule.
3. The Category Rating Factor is applied in determining the base premiums for the following coverages for each auto:

PART	COVERAGE
1	Bodily Injury to Others
2	Personal Injury Protection
3	Bodily Injury Caused by An Uninsured Auto
4	Damage to Someone Else's Property
5	Optional Bodily Injury to Others
6	Medical Payments
7	Collision
8	Limited Collision
9	Comprehensive
12	Bodily Injury Caused By An Underinsured Auto

**B. Rules for Assignment of Rating Categories**

When determining the Rating Category for an auto, the following provisions apply:

1. A driver assigned to the vehicle will only be assigned to one Rating Category.
2. A driver shall be assigned to a category at the time of issuance of a new policy.
3. A driver shall be assigned to a category at the time of issuance of a renewal policy.
4. A new driver added to a policy during a policy term shall result in the policy being re-rated in accordance with B.1 and 2, above.

**C. Category Rating Merit Rating Code and Factors**

CATEGORY RATING		
#	MERIT RATE CODE	FACTOR
1	99	1.000
2	98	1.000
3	00	1.000
4	01	1.000
5	02	1.000
6	03	1.000
7	04	1.000
8	05 – 09	1.000
9	10 – 15	1.000
10	16 – 45	1.000

D. Category Rating Premium Calculation

The Category Rating Factor associated with the assigned driver is multiplied to the base rates shown in the rate section of this manual for the coverages listed above.

**Rule 22. NON-SYMBOLLED VEHICLES AND RATING VEHICLES FOR WHICH SYMBOLS ARE NOT SHOWN ON THE RATE PAGES**

**A. Non-Symbolled Vehicles**

1. For rating of newly announced models for which no symbol is shown, use the symbol of the latest corresponding model which is shown until announcement is made.
2. For rating of other vehicles which have no prior corresponding model, determine the appropriate symbol based on the Base List Price returned by R.L. Polk or Purchase Price, whichever is higher, from the following tables.

SYMBOL	MODEL YEARS 2010 & PRIOR		
	1980 & PRIOR	1981-1989	1990 - 2010
1	0- 1600	0- 1600	0- 6500
2	1601- 2100	1601- 2100	6501- 8000
3	2101- 2750	2101- 2750	8001- 9000
4	2751- 3700	2751- 3700	9001-10000
5	3701- 5000	3701- 5000	10001-11250
6	5001- 6500	5001- 6500	11251-12500
7	6501- 8000	6501- 8000	12501-13750
8	8001-10000	8001-10000	13751-15000
10	10001-12500	10001-12500	15001-16250
11	12501-15000	12501-15000	16251-17500
12	15001-17500	15001-17500	17501-18750
13	17501-20000	17501-20000	18751-20000
14	20001 & above	20001-24000	20001-22000
15		24001-28000	22001-24000
16		28001-33000	24001-26000
17		33001-39000	26001-28000
18		39001-46000	28001-30000
19		46001-55000	30001-33000
20		55001-65000	33001-36000
21		65001 & above	36001-40000
22			40001-45000
23			45001-50000
24			50001-60000
25			60001-70000
26			70001-80000
27			80001 & above

**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.

**L. Transition Rating**

The Transition Rating Factor may be used when writing business from a non Norfolk & Dedham Group company into the Norfolk & Dedham Mutual Fire Insurance Company. Its purpose is to reduce policyholder disruption that may result from the transition to the Norfolk & Dedham Mutual Fire Insurance Company's rating program as part of a merger, acquisition, obtaining of renewal rights, or agent book transfer transaction.

**1. Eligibility**

- a. New business that is part of a transition agreement, and
- b. The annual expiring written premium for the policy being transitioned is less than or equal to the Norfolk & Dedham Mutual Fire Insurance Company's premium.
- c. Policies are not eligible for both the Transition Rating Factor and the Book Transfer Discount.

**2. Application of Factor**

- a. The factors applied will vary based on the % difference, of the expiring written premium for the policy being transitioned under the N&D® Rate Manual Written Premium as shown in the following table.

Transition Factors	Expiring Premium vs. N&D® Premium			
	% Difference			
Renewal Year	0-4.9	5-9.9	10-14.9	>=15
NB	1.0	.95	.90	.85
1	1.0	.96	.92	.88
2	1.0	.97	.94	.91
3	1.0	.98	.96	.94
4	1.0	.99	.98	.97
5	1.0	1.0	1.0	1.0

- b. The factors are applied to N&D® rates all Coverage Parts 1-12.

**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.

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Deductibles, higher than the standard deductible, are available for Collision, Limited Collision and Comprehensive Coverages. Refer to the Miscellaneous Rating Factors page for applicable factors.

**RULE 17. SUBSTITUTE TRANSPORTATION**

The charges for this coverage are on a per vehicle/per year basis for automobiles and motorcycles. Refer to the Miscellaneous Rating Factors page for applicable limits and premiums.

## F. Book Transfer

The Book Transfer discount applies provided the following criteria are met:

### 1. Eligibility

- a. Discount applies to new business that is part of an agreed book transfer from a designated company in the agent's office.
- b. Policies are not eligible for both the Transition Rating Factor and the Book Transfer Discount.

### 2. Application of Discount

- a. The discount will apply to Coverage Parts 1, 2, 4, 5, 7, and 9.
- b. Refer to the Miscellaneous Rating Factors page for applicable discount.
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The 25% discount is applied to the final premium for each part after all other discounts and rating factors have been completed. It is the last step in the rating process prior to the application of the merit rating.

## H. Good Student

A discount will be applied to Coverage Parts 1, 2, 4, 5 and 7 for eligible policyholders on request, when the operators assigned to that auto is eligible for a Good Student discount.

### 1. Eligibility

- a. The listed operator assigned to that auto meets the following requirements:
  1. Is classified as use class 17, 18, 20, 21, 25, or 26, and
  2. Is enrolled full time in: high school, home study group, college, or university.
- b. Has met one of the following requirements at the issuance date of a new policy or renewal policy:
  1. Is in the upper 20% of his or her class scholastically.
  2. Maintains a "B" average or higher, or its equivalent, or if the letter grading system cannot be averaged then no grade can be below "B".
  3. When in a school maintaining a numerical grade, must have at least a 3.0 in a 4, 3, 2, 1 point system or its equivalent.
  4. Student is on a "Dean's List", "Honor Roll" or comparable list showing scholastic achievement.

### 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 for the immediately preceding semester.

### 3. Application of Discount

- a. The applicable discount applies to rates otherwise determined for each insured vehicle by coverage, limits purchased, territory, driver class, and model year and symbol prior to the application of points under a merit rating plan.
- b. The discount shall apply to any vehicle that is classified and rated as a private passenger auto.
- c. Refer to the Miscellaneous Rating Factors page for the applicable discount.
- d. A classification change resulting from a change in the scholastic standing of the student can be effected between anniversary dates of the policy, and must be requested again at each renewal.

## I. Hybrid/Electric Vehicle

A discount will be applied to Coverage Parts 1, 2, 4, 5 and 9 for a qualified vehicle as listed below:

- a. Hybrid vehicle that uses two or more distinct power sources to propel the vehicle.
- b. Electric vehicle that uses one or more electric motors to propel the vehicle.

**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.

**L. Transition Rating**

The Transition Rating Factor may be used when writing business from a non Norfolk & Dedham Group company into the Norfolk & Dedham Mutual Fire Insurance Company. Its purpose is to reduce policyholder disruption that may result from the transition to the Norfolk & Dedham Mutual Fire Insurance Company's rating program as part of a merger, acquisition, obtaining of renewal rights, or agent book transfer transaction.

**1. Eligibility**

- a. New business that is part of a transition agreement, and
- b. The annual expiring written premium for the policy being transitioned is less than or equal to the Norfolk & Dedham Mutual Fire Insurance Company's premium.
- c. Policies are not eligible for both the Transition Rating Factor and the Book Transfer Discount.

**2. Application of Factor**

- a. The factors applied will vary based on the % difference, of the expiring written premium for the policy being transitioned under the N&D® Rate Manual Written Premium as shown in the following table.

Transition Factors	Expiring Premium vs. N&D® Premium			
	% Difference			
Renewal Year	0-4.9	5-9.9	10-14.9	>=15
NB	1.0	.95	.90	.85
1	1.0	.96	.92	.88
2	1.0	.97	.94	.91
3	1.0	.98	.96	.94
4	1.0	.99	.98	.97
5	1.0	1.0	1.0	1.0

- b. The factors are applied to N&D® rates all Coverage Parts 1-12.

**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.

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**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

**Rule 21. CATEGORY RATING AND CATEGORY RATING FACTORS**

**A. Introduction**

1. Assign a Rating Category to each auto in accordance with Paragraphs B and C of this Rule.
2. Determine the appropriate Category Rating Factor from the table below, and apply the factor in determining the premium for the auto in accordance with paragraph D. of this Rule.
3. The Category Rating Factor is applied in determining the base premiums for the following coverages for each auto:

PART	COVERAGE
1	Bodily Injury to Others
2	Personal Injury Protection
3	Bodily Injury Caused by An Uninsured Auto
4	Damage to Someone Else's Property
5	Optional Bodily Injury to Others
6	Medical Payments
7	Collision
8	Limited Collision
9	Comprehensive
12	Bodily Injury Caused By An Underinsured Auto

**B. Rules for Assignment of Rating Categories**

When determining the Rating Category for an auto, the following provisions apply:

1. A driver assigned to the vehicle will only be assigned to one Rating Category.
2. A driver shall be assigned to a category at the time of issuance of a new policy.
3. A driver shall be assigned to a category at the time of issuance of a renewal policy.
4. A new driver added to a policy during a policy term shall result in the policy being re-rated in accordance with B.1 and 2, above.

**C. Category Rating Merit Rating Code and Factors**

CATEGORY RATING		
#	MERIT RATE CODE	FACTOR
1	99	1.000
2	98	1.000
3	00	1.000
4	01	1.000
5	02	1.000

6	03	1.000
7	04	1.000
8	05 – 09	1.000
9	10 – 15	1.000
10	16 – 45	1.000

D. Category Rating Premium Calculation

The Category Rating Factor associated with the assigned driver is multiplied to the base rates shown in the rate section of this manual for the coverages listed above.

**Rule 22. NON-SYMBOLLED VEHICLES AND RATING VEHICLES FOR WHICH SYMBOLS ARE NOT SHOWN ON THE RATE PAGES**

**A. Non-Symbolled Vehicles**

1. For rating of newly announced models for which no symbol is shown, use the symbol of the latest corresponding model which is shown until announcement is made.
2. For rating of other vehicles which have no prior corresponding model, determine the appropriate symbol based on the Base List Price returned by R.L. Polk or Purchase Price, whichever is higher, from the following tables.

SYMBOL	MODEL YEARS 2010 & PRIOR		
	1980 & PRIOR	1981-1989	1990 - 2010
1	0- 1600	0- 1600	0- 6500
2	1601- 2100	1601- 2100	6501- 8000
3	2101- 2750	2101- 2750	8001- 9000
4	2751- 3700	2751- 3700	9001-10000
5	3701- 5000	3701- 5000	10001-11250
6	5001- 6500	5001- 6500	11251-12500
7	6501- 8000	6501- 8000	12501-13750
8	8001-10000	8001-10000	13751-15000
10	10001-12500	10001-12500	15001-16250
11	12501-15000	12501-15000	16251-17500
12	15001-17500	15001-17500	17501-18750
13	17501-20000	17501-20000	18751-20000
14	20001 & above	20001-24000	20001-22000
15		24001-28000	22001-24000
16		28001-33000	24001-26000
17		33001-39000	26001-28000
18		39001-46000	28001-30000
19		46001-55000	30001-33000
20		55001-65000	33001-36000
21		65001 & above	36001-40000
22			40001-45000
23			45001-50000
24			50001-60000
25			60001-70000
26			70001-80000
27			80001 & above

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1. Rule 37 – Policy Characteristics Factor enhanced
2. Rule 19.F – Book Transfer Discount
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Coverage Parts may be subject to more than one factor. The order of the rating factors shall be (1) Annual Mileage, (2) Category, (3) Years Licensed, (4) Anti-theft, (5) Advanced Driver Training, (6) Account, (7) Good Student, (8) Hybrid Vehicle, (9) Student Away at School, (10) Driver/Car Matrix, (11) Book Transfer, (12) Risk, (13) Vehicle, (14) Advance Purchase, (15) Policy Characteristics, (16) Transition (17) Class 15. The premium shall be rounded after each rating factor is applied, except as noted in this rule.

**For Tiers 1 - 3, the Tier Factor as shown in Rule 29. Column B shall apply to the MAIP rate as approved and on file with the MA DOI as of the effective date of the policy. Refer to the MAIP manual for additional rates, rules, and territory definitions. The Tier Factor shall be applied immediately prior to the application of the Class 15 discount.**

**RULE 12. WHOLE DOLLAR PREMIUM RULE**

The premium for each exposure shall be rounded at each step to the nearest whole dollar, separately for each coverage provided by the policy.

A premium involving \$0.50 or more shall be rounded to the next whole dollar at the end of each step. This does not apply to Part 5, 20/40 limits and Part 6, \$5,000 limit where rates displayed in the manual may be used or rounded to the lower whole dollar.

This procedure shall apply to all interim premium adjustments, including endorsements or cancellations at the request of the insured. In the case of cancellation by the company, the return premium may be carried to the next higher whole dollar.

**NOTE:** The premium for "each exposure" means the premium developed for each coverage, for each automobile after the application of all applicable discounts.

**RULE 13. INSTALLMENT PAYMENT OF PREMIUMS**

All motor vehicle insurance policy premium charges are due and payable on the effective date of the policy, subject to the provisions of the Deposit Premium Rule (Rule 14), unless an installment payment plan is used.

**RULE 14. DEPOSIT PREMIUM RULE**

A company, its producer or any broker may require deposit premium prior to the issuance of a policy provided the per vehicle deposit does not exceed 30% of the applicable annual premium for the insurance requested. If the applicant has been in default in the payment of any premium for automobile insurance or merit rating charge during the preceding 24 months, the entire policy premium charges may be payable in advance.

**RULE 15. EMPLOYERS SUBJECT TO MASSACHUSETTS WORKERS' COMPENSATION ACT**

Motor vehicles owned by an employer subject to the Massachusetts workers' compensation law not used at any time to transport persons other than employees of the named insured shall be eligible for a 25% reduction in the Personal Injury Protection premium otherwise applicable. A vehicle which qualifies for this reduction is not eligible for any Personal Injury Protection deductible.

**RULE 16. DEDUCTIBLES - PARTS 7, 8 and 9**

Deductibles, higher than the standard deductible, are available for Collision, Limited Collision and Comprehensive Coverages. Refer to the Miscellaneous Rating Factors page for applicable factors.

**RULE 17. SUBSTITUTE TRANSPORTATION**

The charges for this coverage are on a per vehicle/per year basis for automobiles and motorcycles. Refer to the Miscellaneous Rating Factors page for applicable limits and premiums.

## **F. Book Transfer**

The Book Transfer discount applies provided the following criteria are met:

### **1. Eligibility**

- a. Discount applies to new business that is part of an agreed book transfer from a designated company in the agent's office.
- b. Policies are not eligible for both the Transition Rating Factor and the Book Transfer Discount.

### **2. Application of Discount**

- a. The discount will apply to Coverage Parts 1, 2, 4, 5, 7, and 9.
- b. Refer to the Miscellaneous Rating Factors page for applicable discount.
- c. Discount will decrease 1% at each renewal and be eliminated upon the 5<sup>th</sup> renewal.

## **G. Class 15**

Premiums otherwise applicable to class 10 automobiles shall be reduced by 25% for insureds age 65 or older. The policyholder is required to notify the company of any change in operator usage which would affect entitlement to the discount.

The 25% discount is applied to the final premium for each part after all other discounts and rating factors have been completed. It is the last step in the rating process prior to the application of the merit rating.

## **H. Good Student**

A discount will be applied to Coverage Parts 1, 2, 4, 5 and 7 for eligible policyholders on request, when the operators assigned to that auto is eligible for a Good Student discount.

### **1. Eligibility**

- a. The listed operator assigned to that auto meets the following requirements:
  1. Is classified as use class 17, 18, 20, 21, 25, or 26, and
  2. Is enrolled full time in: high school, home study group, college, or university.
- b. Has met one of the following requirements at the issuance date of a new policy or renewal policy:
  1. Is in the upper 20% of his or her class scholastically.
  2. Maintains a "B" average or higher, or its equivalent, or if the letter grading system cannot be averaged then no grade can be below "B".
  3. When in a school maintaining a numerical grade, must have at least a 3.0 in a 4, 3, 2, 1 point system or its equivalent.
  4. Student is on a "Dean's List", "Honor Roll" or comparable list showing scholastic achievement.

### **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 for the immediately preceding semester.

### **3. Application of Discount**

- a. The applicable discount applies to rates otherwise determined for each insured vehicle by coverage, limits purchased, territory, driver class, and model year and symbol prior to the application of points under a merit rating plan.
- b. The discount shall apply to any vehicle that is classified and rated as a private passenger auto.
- c. Refer to the Miscellaneous Rating Factors page for the applicable discount.
- d. A classification change resulting from a change in the scholastic standing of the student can be effected between anniversary dates of the policy, and must be requested again at each renewal.

## **I. Hybrid/Electric Vehicle**

A discount will be applied to Coverage Parts 1, 2, 4, 5 and 9 for a qualified vehicle as listed below:

- a. Hybrid vehicle that uses two or more distinct power sources to propel the vehicle.
- b. Electric vehicle that uses one or more electric motors to propel the vehicle.

**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.

**L. Transition Rating**

The Transition Rating Factor may be used when writing business from a non Norfolk & Dedham Group company into the Norfolk & Dedham Mutual Fire Insurance Company. Its purpose is to reduce policyholder disruption that may result from the transition to the Norfolk & Dedham Mutual Fire Insurance Company's rating program as part of a merger, acquisition, obtaining of renewal rights, or agent book transfer transaction.

**1. Eligibility**

- a. New business that is part of a transition agreement, and
- b. The annual expiring written premium for the policy being transitioned is less than or equal to the Norfolk & Dedham Mutual Fire Insurance Company's premium.
- c. Policies are not eligible for both the Transition Rating Factor and the Book Transfer Discount.

**2. Application of Factor**

- a. The factors applied will vary based on the % difference, of the expiring written premium for the policy being transitioned under the N&D® Rate Manual Written Premium as shown in the following table.

Transition Factors	Expiring Premium vs. N&D® Premium			
	% Difference			
Renewal Year	0-4.9	5-9.9	10-14.9	>=15
NB	1.0	.95	.90	.85
1	1.0	.96	.92	.88
2	1.0	.97	.94	.91
3	1.0	.98	.96	.94
4	1.0	.99	.98	.97
5	1.0	1.0	1.0	1.0

- b. The factors are applied to N&D® rates all Coverage Parts 1-12.

**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

**Rule 21. CATEGORY RATING AND CATEGORY RATING FACTORS**

**A. Introduction**

1. Assign a Rating Category to each auto in accordance with Paragraphs B and C of this Rule.
2. Determine the appropriate Category Rating Factor from the table below, and apply the factor in determining the premium for the auto in accordance with paragraph D. of this Rule.
3. The Category Rating Factor is applied in determining the base premiums for the following coverages for each auto:

PART	COVERAGE
1	Bodily Injury to Others
2	Personal Injury Protection
3	Bodily Injury Caused by An Uninsured Auto
4	Damage to Someone Else's Property
5	Optional Bodily Injury to Others
6	Medical Payments
7	Collision
8	Limited Collision
9	Comprehensive
12	Bodily Injury Caused By An Underinsured Auto

**B. Rules for Assignment of Rating Categories**

When determining the Rating Category for an auto, the following provisions apply:

1. A driver assigned to the vehicle will only be assigned to one Rating Category.
2. A driver shall be assigned to a category at the time of issuance of a new policy.
3. A driver shall be assigned to a category at the time of issuance of a renewal policy.
4. A new driver added to a policy during a policy term shall result in the policy being re-rated in accordance with B.1 and 2, above.

**C. Category Rating Merit Rating Code and Factors**

CATEGORY RATING		
#	MERIT RATE CODE	FACTOR
1	99	1.000
2	98	1.000
3	00	1.000
4	01	1.000
5	02	1.000
6	03	1.000
7	04	1.000
8	05 – 09	1.000
9	10 – 15	1.000
10	16 – 45	1.000

D. Category Rating Premium Calculation

The Category Rating Factor associated with the assigned driver is multiplied to the base rates shown in the rate section of this manual for the coverages listed above.

**Rule 22. NON-SYMBOLLED VEHICLES AND RATING VEHICLES FOR WHICH SYMBOLS ARE NOT SHOWN ON THE RATE PAGES**

**A. Non-Symbolled Vehicles**

1. For rating of newly announced models for which no symbol is shown, use the symbol of the latest corresponding model which is shown until announcement is made.
2. For rating of other vehicles which have no prior corresponding model, determine the appropriate symbol based on the Base List Price returned by R.L. Polk or Purchase Price, whichever is higher, from the following tables.

SYMBOL	MODEL YEARS 2010 & PRIOR		
	1980 & PRIOR	1981-1989	1990 - 2010
1	0- 1600	0- 1600	0- 6500
2	1601- 2100	1601- 2100	6501- 8000
3	2101- 2750	2101- 2750	8001- 9000
4	2751- 3700	2751- 3700	9001-10000
5	3701- 5000	3701- 5000	10001-11250
6	5001- 6500	5001- 6500	11251-12500
7	6501- 8000	6501- 8000	12501-13750
8	8001-10000	8001-10000	13751-15000
10	10001-12500	10001-12500	15001-16250
11	12501-15000	12501-15000	16251-17500
12	15001-17500	15001-17500	17501-18750
13	17501-20000	17501-20000	18751-20000
14	20001 & above	20001-24000	20001-22000
15		24001-28000	22001-24000
16		28001-33000	24001-26000
17		33001-39000	26001-28000
18		39001-46000	28001-30000
19		46001-55000	30001-33000
20		55001-65000	33001-36000
21		65001 & above	36001-40000
22			40001-45000
23			45001-50000
24			50001-60000
25			60001-70000
26			70001-80000
27			80001 & above

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1. Rule 37 – Policy Characteristics Factor enhanced
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## **F. Book Transfer**

The Book Transfer discount applies provided the following criteria are met:

### **1. Eligibility**

- a. Discount applies to new business that is part of an agreed book transfer from a designated company in the agent's office.
- b. Policies are not eligible for both the Transition Rating Factor and the Book Transfer Discount.

### **2. Application of Discount**

- a. The discount will apply to Coverage Parts 1, 2, 4, 5, 7, and 9.
- b. Refer to the Miscellaneous Rating Factors page for applicable discount.
- c. Discount will decrease 1% at each renewal and be eliminated upon the 5<sup>th</sup> renewal.

## **G. Class 15**

Premiums otherwise applicable to class 10 automobiles shall be reduced by 25% for insureds age 65 or older. The policyholder is required to notify the company of any change in operator usage which would affect entitlement to the discount.

The 25% discount is applied to the final premium for each part after all other discounts and rating factors have been completed. It is the last step in the rating process prior to the application of the merit rating.

## **H. Good Student**

A discount will be applied to Coverage Parts 1, 2, 4, 5 and 7 for eligible policyholders on request, when the operators assigned to that auto is eligible for a Good Student discount.

### **1. Eligibility**

- a. The listed operator assigned to that auto meets the following requirements:
  1. Is classified as use class 17, 18, 20, 21, 25, or 26, and
  2. Is enrolled full time in: high school, home study group, college, or university.
- b. Has met one of the following requirements at the issuance date of a new policy or renewal policy:
  1. Is in the upper 20% of his or her class scholastically.
  2. Maintains a "B" average or higher, or its equivalent, or if the letter grading system cannot be averaged then no grade can be below "B".
  3. When in a school maintaining a numerical grade, must have at least a 3.0 in a 4, 3, 2, 1 point system or its equivalent.
  4. Student is on a "Dean's List", "Honor Roll" or comparable list showing scholastic achievement.

### **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 for the immediately preceding semester.

### **3. Application of Discount**

- a. The applicable discount applies to rates otherwise determined for each insured vehicle by coverage, limits purchased, territory, driver class, and model year and symbol prior to the application of points under a merit rating plan.
- b. The discount shall apply to any vehicle that is classified and rated as a private passenger auto.
- c. Refer to the Miscellaneous Rating Factors page for the applicable discount.
- d. A classification change resulting from a change in the scholastic standing of the student can be effected between anniversary dates of the policy, and must be requested again at each renewal.

## **I. Hybrid/Electric Vehicle**

A discount will be applied to Coverage Parts 1, 2, 4, 5 and 9 for a qualified vehicle as listed below:

- a. Hybrid vehicle that uses two or more distinct power sources to propel the vehicle.
- b. Electric vehicle that uses one or more electric motors to propel the vehicle.



**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.

**L. Transition Rating**

The Transition Rating Factor may be used when writing business from a non Norfolk & Dedham Group company into the Norfolk & Dedham Mutual Fire Insurance Company. Its purpose is to reduce policyholder disruption that may result from the transition to the Norfolk & Dedham Mutual Fire Insurance Company's rating program as part of a merger, acquisition, obtaining of renewal rights, or agent book transfer transaction.

**1. Eligibility**

- a. New business that is part of a transition agreement, and
- b. The annual expiring written premium for the policy being transitioned is less than or equal to the Norfolk & Dedham Mutual Fire Insurance Company's premium.
- c. Policies are not eligible for both the Transition Rating Factor and the Book Transfer Discount.

**2. Application of Factor**

- a. The factors applied will vary based on the % difference, of the expiring written premium for the policy being transitioned under the N&D® Rate Manual Written Premium as shown in the following table.

Transition Factors	Expiring Premium vs. N&D® Premium			
	% Difference			
Renewal Year	0-4.9	5-9.9	10-14.9	>=15
NB	1.0	.95	.90	.85
1	1.0	.96	.92	.88
2	1.0	.97	.94	.91
3	1.0	.98	.96	.94
4	1.0	.99	.98	.97
5	1.0	1.0	1.0	1.0

- b. The factors are applied to all Coverage Parts 1-12.

**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

**Rule 21. CATEGORY RATING AND CATEGORY RATING FACTORS**

**A. Introduction**

1. Assign a Rating Category to each auto in accordance with Paragraphs B and C of this Rule.
2. Determine the appropriate Category Rating Factor from the table below, and apply the factor in determining the premium for the auto in accordance with paragraph D. of this Rule.
3. The Category Rating Factor is applied in determining the base premiums for the following coverages for each auto:

PART	COVERAGE
1	Bodily Injury to Others
2	Personal Injury Protection
3	Bodily Injury Caused by An Uninsured Auto
4	Damage to Someone Else's Property
5	Optional Bodily Injury to Others
6	Medical Payments
7	Collision
8	Limited Collision
9	Comprehensive
12	Bodily Injury Caused By An Underinsured Auto

**B. Rules for Assignment of Rating Categories**

When determining the Rating Category for an auto, the following provisions apply:

1. A driver assigned to the vehicle will only be assigned to one Rating Category.
2. A driver shall be assigned to a category at the time of issuance of a new policy.
3. A driver shall be assigned to a category at the time of issuance of a renewal policy.
4. A new driver added to a policy during a policy term shall result in the policy being re-rated in accordance with B.1 and 2, above.

**C. Category Rating Merit Rating Code and Factors**

CATEGORY RATING		
#	MERIT RATE CODE	FACTOR
1	99	1.000
2	98	1.000
3	00	1.000
4	01	1.000
5	02	1.000
6	03	1.000
7	04	1.000
8	05 – 09	1.000
9	10 – 15	1.000
10	16 – 45	1.000

D. Category Rating Premium Calculation

The Category Rating Factor associated with the assigned driver is multiplied to the base rates shown in the rate section of this manual for the coverages listed above.

**Rule 22. NON-SYMBOLLED VEHICLES AND RATING VEHICLES FOR WHICH SYMBOLS ARE NOT SHOWN ON THE RATE PAGES**

**A. Non-Symbolled Vehicles**

1. For rating of newly announced models for which no symbol is shown, use the symbol of the latest corresponding model which is shown until announcement is made.
2. For rating of other vehicles which have no prior corresponding model, determine the appropriate symbol based on the Base List Price returned by R.L. Polk or Purchase Price, whichever is higher, from the following tables.

SYMBOL	MODEL YEARS 2010 & PRIOR		
	1980 & PRIOR	1981-1989	1990 - 2010
1	0- 1600	0- 1600	0- 6500
2	1601- 2100	1601- 2100	6501- 8000
3	2101- 2750	2101- 2750	8001- 9000
4	2751- 3700	2751- 3700	9001-10000
5	3701- 5000	3701- 5000	10001-11250
6	5001- 6500	5001- 6500	11251-12500
7	6501- 8000	6501- 8000	12501-13750
8	8001-10000	8001-10000	13751-15000
10	10001-12500	10001-12500	15001-16250
11	12501-15000	12501-15000	16251-17500
12	15001-17500	15001-17500	17501-18750
13	17501-20000	17501-20000	18751-20000
14	20001 & above	20001-24000	20001-22000
15		24001-28000	22001-24000
16		28001-33000	24001-26000
17		33001-39000	26001-28000
18		39001-46000	28001-30000
19		46001-55000	30001-33000
20		55001-65000	33001-36000
21		65001 & above	36001-40000
22			40001-45000
23			45001-50000
24			50001-60000
25			60001-70000
26			70001-80000
27			80001 & above

MODEL YEARS 2011 & GREATER					
SYMBOL	VALUE	SYMBOL	VALUE	SYMBOL	VALUE
01	0-3,000	26	23,751-24,375	50	45,001-46,250
02	3,001-5,500	27	24,376-25,000	51	46,251-47,500
03	5,501-8,000	28	25,001-25,625	52	47,501-48,750
04	8,001-9,000	29	25,626-26,250	53	48,751-50,000
05	9,001-10,000	30	26,251-26,875	54	50,001-52,500
06	10,001-11,000	31	26,876-27,500	55	52,501-55,000
07	11,001-12,000	32	27,501-28,125	56	55,001-57,500
08	12,001-13,000	33	28,126-28,750	57	57,501-60,000
10	13,001-14,000	34	28,751-29,375	58	60,001-65,000
11	14,001-15,000	35	29,376-30,000	59	65,001-70,000
12	15,001-15,625	36	30,001-31,000	60	70,001-75,000
13	15,626-16,250	37	31,001-32,000	61	75,001-80,000
14	16,251-16,875	38	32,001-33,000	62	80,001-85,000
15	16,876-17,500	39	33,001-34,000	63	85,001-90,000
16	17,501-18,125	40	34,001-35,000	64	90,001-95,000
17	18,126-18,750	41	35,001-36,000	65	95,001-100,000
18	18,751-19,375	42	36,001-37,000	66	100,001-110,000
19	19,376-20,000	43	37,001-38,000	67	110,001-120,000
20	20,001-20,625	44	38,001-39,000	68	120,001-130,000
21	20,626-21,250	45	39,001-40,000	69	130,001-140,000
22	21,251-21,875	46	40,001-41,250	70	140,001-150,000
23	21,876-22,500	47	41,251-42,500	71-75	N/A
24	22,501-23,125	48	42,501-43,750	98	150,001 & Above
25	23,126-23,750	49	43,751-45,000		

NOTE: Vehicles assigned Symbol 98 will be priced according to Rule 22, as noted in section B below.

3. Stated or Agreed Amount

If an automobile is appraised for stated or agreed amount coverage, the appraised value must be used to determine the symbol.

For model years 1980 and prior, with values of \$20,001 and above, the auto must be rated on a Stated Amount Basis in accordance with Rule 41. The insurer has the option to waive the requirement of obtaining an appraisal as required under Rule 41.

4. Equipment: Vans and Pick-ups

Except with respect to the coverage provided under Rule 47 for custom furnishings or custom equipment, the cost of any equipment installed in or upon a pick-up or van shall be added to the FOB List Price, Purchase Price or Appraisal Value in determining the applicable symbol.

**B. 2011 and Later Model Years – Symbol 98 Vehicles**

Develop the base rates for Symbol 98 Vehicles as follows:

1. Increase the factor for Symbol 70 by +.15 for each \$10,000 or portion of \$10,000 above \$150,000 of the FOB List Price or Purchase Price, whichever is higher.
2. Rate in accordance with Rule 11.

**C. Rating Vehicles with Symbols 18 and Above**

For model years 1981 through 2010, to determine the actual cash value premium for vehicle symbols 18 and above, apply the following factors to the base premium shown for Symbol 17 and the applicable territory, class, and model year, before discounts are applied:

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**2016**  
**MEMORANDUM OF CHANGES**

1. Rule 37 – Policy Characteristics Factor enhanced
2. Rule 19.F – Book Transfer Discount
3. Rule 19.L – Transition Rule
4. Page i – Table of Contents
5. Rule 11 – Premium Calculation Rule

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Coverage Parts may be subject to more than one factor. The order of the rating factors shall be (1) Annual Mileage, (2) Category, (3) Years Licensed, (4) Anti-theft, (5) Advanced Driver Training, (6) Account, (7) Good Student, (8) Hybrid Vehicle, (9) Student Away at School, (10) Driver/Car Matrix, (11) Book Transfer, (12) Risk, (13) Vehicle, (14) Advance Purchase, (15) Policy Characteristics, (16) Transition (17) Class 15. The premium shall be rounded after each rating factor is applied, except as noted in this rule.

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**For Tiers 1 - 3, the Tier Factor as shown in Rule 29. Column B shall apply to the MAIP rate as approved and on file with the MA DOI as of the effective date of the policy. Refer to the MAIP manual for additional rates, rules, and territory definitions. The Tier Factor shall be applied immediately prior to the application of the Class 15 discount.**

**RULE 12. WHOLE DOLLAR PREMIUM RULE**

The premium for each exposure shall be rounded at each step to the nearest whole dollar, separately for each coverage provided by the policy.

A premium involving \$0.50 or more shall be rounded to the next whole dollar at the end of each step. This does not apply to Part 5, 20/40 limits and Part 6, \$5,000 limit where rates displayed in the manual may be used or rounded to the lower whole dollar.

This procedure shall apply to all interim premium adjustments, including endorsements or cancellations at the request of the insured. In the case of cancellation by the company, the return premium may be carried to the next higher whole dollar.

**NOTE:** The premium for "each exposure" means the premium developed for each coverage, for each automobile after the application of all applicable discounts.

**RULE 13. INSTALLMENT PAYMENT OF PREMIUMS**

All motor vehicle insurance policy premium charges are due and payable on the effective date of the policy, subject to the provisions of the Deposit Premium Rule (Rule 14), unless an installment payment plan is used.

**RULE 14. DEPOSIT PREMIUM RULE**

A company, its producer or any broker may require deposit premium prior to the issuance of a policy provided the per vehicle deposit does not exceed 30% of the applicable annual premium for the insurance requested. If the applicant has been in default in the payment of any premium for automobile insurance or merit rating charge during the preceding 24 months, the entire policy premium charges may be payable in advance.

**RULE 15. EMPLOYERS SUBJECT TO MASSACHUSETTS WORKERS' COMPENSATION ACT**

Motor vehicles owned by an employer subject to the Massachusetts workers' compensation law not used at any time to transport persons other than employees of the named insured shall be eligible for a 25% reduction in the Personal Injury Protection premium otherwise applicable. A vehicle which qualifies for this reduction is not eligible for any Personal Injury Protection deductible.

**RULE 16. DEDUCTIBLES - PARTS 7, 8 and 9**

Deductibles, higher than the standard deductible, are available for Collision, Limited Collision and Comprehensive Coverages. Refer to the Miscellaneous Rating Factors page for applicable factors.

**RULE 17. SUBSTITUTE TRANSPORTATION**

The charges for this coverage are on a per vehicle/per year basis for automobiles and motorcycles. Refer to the Miscellaneous Rating Factors page for applicable limits and premiums.

## F. Book Transfer

The Book Transfer discount applies provided the following criteria are met:

### 1. Eligibility

- a. Discount applies to new business that is part of an agreed book transfer from a designated company in the agent's office.
- b. Policies are not eligible for both the Transition Rating Factor and the Book Transfer Discount.

### 2. Application of Discount

- a. The discount will apply to Coverage Parts 1, 2, 4, 5, 7, and 9.
- b. Refer to the Miscellaneous Rating Factors page for applicable discount.
- c. Discount will decrease 1% at each renewal and be eliminated upon the 5<sup>th</sup> renewal.

## G. Class 15

Premiums otherwise applicable to class 10 automobiles shall be reduced by 25% for insureds age 65 or older. The policyholder is required to notify the company of any change in operator usage which would affect entitlement to the discount.

The 25% discount is applied to the final premium for each part after all other discounts and rating factors have been completed. It is the last step in the rating process prior to the application of the merit rating.

## H. Good Student

A discount will be applied to Coverage Parts 1, 2, 4, 5 and 7 for eligible policyholders on request, when the operators assigned to that auto is eligible for a Good Student discount.

### 1. Eligibility

- a. The listed operator assigned to that auto meets the following requirements:
  1. Is classified as use class 17, 18, 20, 21, 25, or 26, and
  2. Is enrolled full time in: high school, home study group, college, or university.
- b. Has met one of the following requirements at the issuance date of a new policy or renewal policy:
  1. Is in the upper 20% of his or her class scholastically.
  2. Maintains a "B" average or higher, or its equivalent, or if the letter grading system cannot be averaged then no grade can be below "B".
  3. When in a school maintaining a numerical grade, must have at least a 3.0 in a 4, 3, 2, 1 point system or its equivalent.
  4. Student is on a "Dean's List", "Honor Roll" or comparable list showing scholastic achievement.

### 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 for the immediately preceding semester.

### 3. Application of Discount

- a. The applicable discount applies to rates otherwise determined for each insured vehicle by coverage, limits purchased, territory, driver class, and model year and symbol prior to the application of points under a merit rating plan.
- b. The discount shall apply to any vehicle that is classified and rated as a private passenger auto.
- c. Refer to the Miscellaneous Rating Factors page for the applicable discount.
- d. A classification change resulting from a change in the scholastic standing of the student can be effected between anniversary dates of the policy, and must be requested again at each renewal.

## I. Hybrid/Electric Vehicle

A discount will be applied to Coverage Parts 1, 2, 4, 5 and 9 for a qualified vehicle as listed below:

- a. Hybrid vehicle that uses two or more distinct power sources to propel the vehicle.
- b. Electric vehicle that uses one or more electric motors to propel the vehicle.

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**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.

**L. Transition Rating**

The Transition Rating Factor may be used when writing business from a non Norfolk & Dedham Group company into the Norfolk & Dedham Mutual Fire Insurance Company. Its purpose is to reduce policyholder disruption that may result from the transition to the Norfolk & Dedham Mutual Fire Insurance Company's rating program as part of a merger, acquisition, obtaining of renewal rights, or agent book transfer transaction.

**1. Eligibility**

- a. New business that is part of a transition agreement, and
- b. The annual expiring written premium for the policy being transitioned is less than or equal to the Norfolk & Dedham Mutual Fire Insurance Company's premium.
- c. Policies are not eligible for both the Transition Rating Factor and the Book Transfer Discount.

**2. Application of Factor**

- a. The factors applied will vary based on the % difference, of the expiring written premium for the policy being transitioned under the N&D® Rate Manual Written Premium as shown in the following table.

Transition Factors	Expiring Premium vs. N&D® Premium			
	% Difference			
Renewal Year	0-4.9	5-9.9	10-14.9	>=15
NB	1.0	.95	.90	.85
1	1.0	.96	.92	.88
2	1.0	.97	.94	.91
3	1.0	.98	.96	.94
4	1.0	.99	.98	.97
5	1.0	1.0	1.0	1.0

- b. The factors are applied to all Coverage Parts 1-12.

**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.

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**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
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2. Determine the appropriate Category Rating Factor from the table below, and apply the factor in determining the premium for the auto in accordance with paragraph D. of this Rule.
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PART	COVERAGE
1	Bodily Injury to Others
2	Personal Injury Protection
3	Bodily Injury Caused by An Uninsured Auto
4	Damage to Someone Else's Property
5	Optional Bodily Injury to Others
6	Medical Payments
7	Collision
8	Limited Collision
9	Comprehensive
12	Bodily Injury Caused By An Underinsured Auto

**B. Rules for Assignment of Rating Categories**

When determining the Rating Category for an auto, the following provisions apply:

1. A driver assigned to the vehicle will only be assigned to one Rating Category.
2. A driver shall be assigned to a category at the time of issuance of a new policy.
3. A driver shall be assigned to a category at the time of issuance of a renewal policy.
4. A new driver added to a policy during a policy term shall result in the policy being re-rated in accordance with B.1 and 2, above.

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**C. Category Rating Merit Rating Code and Factors**

CATEGORY RATING		
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5	02	1.000
6	03	1.000
7	04	1.000
8	05 – 09	1.000
9	10 – 15	1.000
10	16 – 45	1.000

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D. Category Rating Premium Calculation

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6	5001- 6500	5001- 6500	11251-12500
7	6501- 8000	6501- 8000	12501-13750
8	8001-10000	8001-10000	13751-15000
10	10001-12500	10001-12500	15001-16250
11	12501-15000	12501-15000	16251-17500
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15		24001-28000	22001-24000
16		28001-33000	24001-26000
17		33001-39000	26001-28000
18		39001-46000	28001-30000
19		46001-55000	30001-33000
20		55001-65000	33001-36000
21		65001 & above	36001-40000
22			40001-45000
23			45001-50000
24			50001-60000
25			60001-70000
26			70001-80000
27			80001 & above

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