

**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
6. Rule 35 – Tier Assignment

RULE 29. TIER ASSIGNMENT

A	B	C	D
TIER	FACTOR	RATES	CRITERIA
1	1.0	MAIP ¹	<ol style="list-style-type: none"> 1. New business² not continuously insured³ in the past 12 month experience period unless part of an account; or 2. New business in which a rated operator⁶ has had a policy cancelled for non-payment in the past 12 month experience period⁴ unless part of an account⁵; or 3. New business in which a rated operator⁶ has been convicted of one or more of the following within the prior 60 month experience period⁴: <ol style="list-style-type: none"> a. Driving under the influence of alcohol or drugs; b. Vehicular Manslaughter; or c. Automobile related fraud; or 4. New business² in which a rated operator⁶ has: <ol style="list-style-type: none"> a. Made a material misrepresentation to automobile collision or comprehensive coverage in the past 60 month experience period, or b. Had 2 or more total fire or theft losses in the past 36 month experience period; or 5. New business, continuously insured past 12 months, single vehicle, BI limits = \$20,000/\$40,000, unless part of an account⁵; or 6. New Business² continuously insured³ in which a rated operator had a merit rating incident resulting in a surcharge in the past 12 month experience period⁴ with: <ol style="list-style-type: none"> a. BI Limits < \$50,000/\$100,000, and b. No collision or comprehensive coverage, unless part of an account⁵; or 7. A Tier 1, 2 or 3 policy, which when renewed: <ol style="list-style-type: none"> a. Had filed a claim, other than glass or towing during the past 12 month experience period⁴, or b. A rated operator had a merit rating incident resulting in a surcharge in the past 12 month experience period.
2	.95	MAIP	Tier 1 policy which, when renewed, is not eligible for Tier 1.
3	.90	MAIP	Tier 2 policy which, when renewed, is not eligible for Tier 1.
4	1.0	N&D® ⁷	<ol style="list-style-type: none"> 1. Tier 3 policy which, when renewed, is not eligible for Tier 1. 2. All other business

- ¹ **MAIP**
MAIP rates and rules as approved and on file with the MA DOI as of October 1, 2016 shall be used for rating Tiers 1 – 3.
- ² **New Business**
New Business with an effective date of 7/1/2012 or later.
- ³ **Continuously Insured**
Each rated operator has been insured without a lapse in coverage under an automobile insurance policy for the 12 month period preceding the effective date of the policy. A rated operator is considered continuously insured if the operator was the named, listed, or rated insured on an automobile insurance policy for the 12 month period preceding the effective date of the policy.
- ⁴ **Experience Period**
The time period immediately preceding the effective date of the policy.
- ⁵ **Account**
Named Insured is eligible to receive the account credit as defined by Rule 19.A.
- ⁶ **Rated Operator**
Any operator not excluded on the policy.
- ⁷ **N&D® Rates**
If a MAIP assignment, the policy will be rated with the lower of the N&D® and MAIP rates.

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