

**RULE 24. Transfer Credit**

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A maximum credit of 10% may be applied for a policy which is part of an agent book transfer if the policy has been insured with the agency for twelve months and the policy is quoted and issued more than 30 days before the proposed effective date. The credit applied to the policy will decrease two percentage points at each renewal until unity is achieved. The intent of this rule is to minimize any rate disruption in placing the customer with Plymouth Rock.

**Level Credit Factor**

<u>Level 5</u>	<u>0.90</u>
<u>Level 4</u>	<u>0.92</u>
<u>Level 3</u>	<u>0.94</u>
<u>Level 2</u>	<u>0.96</u>
<u>Level 1</u>	<u>0.98</u>
<u>Unity</u>	<u>1.00</u>

Policies under this program will be eligible for neither the Advance Issue nor the Renewal Account Review discount.

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**RULE 24. Transfer Credit**

A maximum credit of 10% may be applied for a policy which is part of an agent book transfer if the policy has been insured with the agency for twelve months and the policy is quoted and issued more than 30 days before the proposed effective date. The credit applied to the policy will decrease two percentage points at each renewal until unity is achieved. The intent of this rule is to minimize any rate disruption in placing the customer with Plymouth Rock.

<b>Level Credit</b>	<b>Factor</b>
Level 5	0.90
Level 4	0.92
Level 3	0.94
Level 2	0.96
Level 1	0.98
Unity	1.00

Policies under this program will be eligible for neither the Advance Issue nor the Renewal Account Review discount.

## **RULE 11. PREMIUM CALCULATION RULE**

The rates shown on the rate pages are for limits of \$20,000/\$40,000 (Parts 1, 3, 5 and 12) or \$5,000 (Part 4 and 6). The charge for increased limits is determined by applying the factors shown in the Increased Limits Tables, as modified by the MAIP Capping Factor (MCF), to the base premium as described below.

The following sequence of steps shall be used in rating the policy for Private Passenger Vehicles (including vehicles listed in rules 32, 41, 45, 47):

1. Calculate the sum of Basic Limits Premium for Part 1, Part 2, Part 3 and Part 4, as well as Part 5 if purchased as described in sections 4-8 below. In this step, both MCF and ILF shall be set to equal 1.00 wherever they appear. In addition, the premium adjustments described in sections 4h-i, 5h-i, 7h-i, and 8h-i are not applied.
2. Calculate the sum of Basic Limits MAIP Rate Premium for Part 1, Part 2, Part 3 and Part 4 as well as Part 5 if purchased, in accordance with the MAIP Rate Plan and rules effective 4/1/2011.
3. When a vehicle is rated for the Basic Coverage Package of: 20/40 bodily injury liability (including guest and out-of-state coverage), \$8,000 personal injury protection, \$5,000 property damage liability, and 20/40 uninsured motorist coverage, calculate MCF, equal to the Ratio of the Premium calculated in Step #2 to that calculated in Step #1. Set MCF equal to 1.00 for all other vehicles, or if any of the following conditions apply:
  - The calculated ratio, MCF, is greater than 1.00,
  - The insured does not qualify for the Low Frequency Discount in the MAIP Rating Plan
  - The insured does not qualify for the Continuous Coverage Discount in the MAIP Rating Plan
4. For Part 1
  - a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
  - b. Apply the MCF factor to the previous number.
  - c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, **Transfer Pricing Factor**, Liability Symbol Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
  - d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
  - e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
  - f. If the result of step e. is less than the Part 1 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
  - g. Apply the Age 65 or Older discount factor if appropriate

h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the Part 1 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.

i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the Part 1 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where  $MCF < 1.0$ ).

5. For Part 2

a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.

b. Apply a factor equal to  $MCF \times [1 - \text{PIP Deductible Factor}]$  to the previous number.

c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, [Transfer Pricing Factor](#), PIP Symbol Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.

d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.

e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.

f. If the result of step e. is less than the Part 2 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.

g. Apply the Age 65 or Older discount factor if appropriate

h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the Part 2 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.

i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the Part 2 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where  $MCF < 1.0$ ).

6. For Part 3

a. Apply a factor equal to  $[MCF + \text{Part 3 ILF} - 1]$  to the base rate shown in the Rate Pages section.

b. Apply [the Transfer Pricing Factor and](#) all appropriate Rule 19 discount factors to the previous number.

7. For Part 4

a. apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.

b. Apply a factor equal to  $[MCF + \text{Part 4 ILF} - 1]$  to the previous number.

c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, [Transfer Pricing Factor](#), Liability Symbol Factor, and all Rule

19 discount factors except the Age 65 or Older discount factor to the previous number.

d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.

e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.

f. If the result of step e. is less than the Part 4 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.

g. Apply the Age 65 or older discount factor if appropriate

h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the Part 4 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.

i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the Part 4 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where  $MCF < 1.0$ ).

8. For Part 5

a. Apply a factor equal to  $[MCF + \text{Part 5 ILF} - 1]$  to the Part 5 base rate as shown in the Rate Pages section.

b. Apply a factor equal to  $[\text{Part 5 ILF} - 1]$  to the Part 1 base rate as shown in the Rate Pages section.

c. Apply the appropriate Tier Factor as determined in rule 29 to the sum of the numbers calculated in steps a. and b.

d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, [Transfer Pricing Factor](#), Liability Symbol Factor, and all Rule 19 discount factors except the Age 65 or older discount factor to the previous number.

e. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.

f. If the result of step e. is less than the Part 5 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.

g. Apply the Age 65 or Older discount factor if appropriate

h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the Part 5 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.

i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the Part 5 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where  $MCF < 1.0$ ).

9. For Part 6

a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.

- b. Apply the Part 6 ILF factor to the previous number.
- c. Apply the PIP Symbol Factor, Transfer Pricing Factor, and all appropriate Rule 19 discount factors to the previous number.

10. For Parts 7 – 8 – 9

- a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply the appropriate Model Year/Symbol factor to the previous number.
- c. Apply the appropriate deductible factor under Rule 16, if applicable.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
- e. For Parts 7 and 9 only, apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- f. If the result of step e. is less than the Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
- g. Apply the Age 65 or Older discount factor if appropriate
- h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount.

11. For Part 10

- a. Apply the appropriate Part 10 base rate shown in the Miscellaneous Rating Factors section.
- b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

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12. For Part 11

- a. Apply the appropriate Part 11 base rate shown in the Miscellaneous Rating Factors section.
- b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

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13. For Part 12

- a. Apply the Part 12 ILF factor to the base rate shown in the Rate Pages section.
- b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

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1. Calculate the sum of Basic Limits Premium for Part 1, Part 2, Part 3 and Part 4, as well as Part 5 if purchased as described in sections 4-8 below. In this step, both MCF and ILF shall be set to equal 1.00 wherever they appear. In addition, the premium adjustments described in sections 4h-i, 5h-i, 7h-i, and 8h-i are not applied.
2. Calculate the sum of Basic Limits MAIP Rate Premium for Part 1, Part 2, Part 3 and Part 4 as well as Part 5 if purchased, in accordance with the MAIP Rate Plan and rules effective 4/1/2011.
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  - The calculated ratio, MCF, is greater than 1.00,
  - The insured does not qualify for the Low Frequency Discount in the MAIP Rating Plan
  - The insured does not qualify for the Continuous Coverage Discount in the MAIP Rating Plan
4. For Part 1
  - a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
  - b. Apply the MCF factor to the previous number.
  - c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
  - d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
  - e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
  - f. If the result of step e. is less than the Part 1 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
  - g. Apply the Age 65 or Older discount factor if appropriate

- h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the Part 1 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the Part 1 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where  $MCF < 1.0$ ).

5. For Part 2

- a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply a factor equal to  $MCF \times [1 - \text{PIP Deductible Factor}]$  to the previous number.
- c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, PIP Symbol Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
- d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- f. If the result of step e. is less than the Part 2 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
- g. Apply the Age 65 or Older discount factor if appropriate
- h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the Part 2 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the Part 2 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where  $MCF < 1.0$ ).

6. For Part 3

- a. Apply a factor equal to  $[MCF + \text{Part 3 ILF} - 1]$  to the base rate shown in the Rate Pages section.
- b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

7. For Part 4

- a. apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply a factor equal to  $[MCF + \text{Part 4 ILF} - 1]$  to the previous number.
- c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule



19 discount factors except the Age 65 or Older discount factor to the previous number.

d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.

e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.

f. If the result of step e. is less than the Part 4 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.

g. Apply the Age 65 or older discount factor if appropriate

h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the Part 4 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.

i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the Part 4 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where  $MCF < 1.0$ ).

8. For Part 5

a. Apply a factor equal to  $[MCF + \text{Part 5 ILF} - 1]$  to the Part 5 base rate as shown in the Rate Pages section.

b. Apply a factor equal to  $[\text{Part 5 ILF} - 1]$  to the Part 1 base rate as shown in the Rate Pages section.

c. Apply the appropriate Tier Factor as determined in rule 29 to the sum of the numbers calculated in steps a. and b.

d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 19 discount factors except the Age 65 or older discount factor to the previous number.

e. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.

f. If the result of step e. is less than the Part 5 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.

g. Apply the Age 65 or Older discount factor if appropriate

h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the Part 5 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.

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9. For Part 6

a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.

- b. Apply the Part 6 ILF factor to the previous number.
- c. Apply the PIP Symbol Factor, Transfer Pricing Factor, and all appropriate Rule 19 discount factors to the previous number.

10. For Parts 7 – 8 – 9

- a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply the appropriate Model Year/Symbol factor to the previous number.
- c. Apply the appropriate deductible factor under Rule 16, if applicable.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
- e. For Parts 7 and 9 only, apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- f. If the result of step e. is less than the Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
- g. Apply the Age 65 or Older discount factor if appropriate
- h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount.

11. For Part 10

- a. Apply the appropriate Part 10 base rate shown in the Miscellaneous Rating Factors section.
- b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

12. For Part 11

- a. Apply the appropriate Part 11 base rate shown in the Miscellaneous Rating Factors section.
- b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

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- a. Apply the Part 12 ILF factor to the base rate shown in the Rate Pages section.
- b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

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1. Calculate the sum of Basic Limits Premium for Part 1, Part 2, Part 3 and Part 4, as well as Part 5 if purchased as described in sections 4-8 below. In this step, both MCF and ILF shall be set to equal 1.00 wherever they appear. In addition, the premium adjustments described in sections 4h-i, 5h-i, 7h-i, and 8h-i are not applied.
2. Calculate the sum of Basic Limits MAIP Rate Premium for Part 1, Part 2, Part 3 and Part 4 as well as Part 5 if purchased, in accordance with the MAIP Rate Plan and rules effective 4/1/2011.
3. When a vehicle is rated for the Basic Coverage Package of: 20/40 bodily injury liability (including guest and out-of-state coverage), \$8,000 personal injury protection, \$5,000 property damage liability, and 20/40 uninsured motorist coverage, calculate MCF, equal to the Ratio of the Premium calculated in Step #2 to that calculated in Step #1. Set MCF equal to 1.00 for all other vehicles, or if any of the following conditions apply:
  - The calculated ratio, MCF, is greater than 1.00,
  - The insured does not qualify for the Low Frequency Discount in the MAIP Rating Plan
  - The insured does not qualify for the Continuous Coverage Discount in the MAIP Rating Plan
4. For Part 1
  - a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
  - b. Apply the MCF factor to the previous number.
  - c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, **Transfer Pricing Factor**, Liability Symbol Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
  - d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
  - e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
  - f. If the result of step e. is less than the Part 1 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
  - g. Apply the Age 65 or Older discount factor if appropriate

h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the Part 1 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.

i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the Part 1 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where  $MCF < 1.0$ ).

5. For Part 2

a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.

b. Apply a factor equal to  $MCF \times [1 - \text{PIP Deductible Factor}]$  to the previous number.

c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, [Transfer Pricing Factor](#), PIP Symbol Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.

d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.

e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.

f. If the result of step e. is less than the Part 2 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.

g. Apply the Age 65 or Older discount factor if appropriate

h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the Part 2 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.

i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the Part 2 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where  $MCF < 1.0$ ).

6. For Part 3

a. Apply a factor equal to  $[MCF + \text{Part 3 ILF} - 1]$  to the base rate shown in the Rate Pages section.

b. Apply [the Transfer Pricing Factor and](#) all appropriate Rule 19 discount factors to the previous number.

7. For Part 4

a. apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.

b. Apply a factor equal to  $[MCF + \text{Part 4 ILF} - 1]$  to the previous number.

c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, [Transfer Pricing Factor](#), Liability Symbol Factor, and all Rule



19 discount factors except the Age 65 or Older discount factor to the previous number.

d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.

e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.

f. If the result of step e. is less than the Part 4 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.

g. Apply the Age 65 or older discount factor if appropriate

h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the Part 4 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.

i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the Part 4 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where  $MCF < 1.0$ ).

8. For Part 5

a. Apply a factor equal to  $[MCF + \text{Part 5 ILF} - 1]$  to the Part 5 base rate as shown in the Rate Pages section.

b. Apply a factor equal to  $[\text{Part 5 ILF} - 1]$  to the Part 1 base rate as shown in the Rate Pages section.

c. Apply the appropriate Tier Factor as determined in rule 29 to the sum of the numbers calculated in steps a. and b.

d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, [Transfer Pricing Factor](#), Liability Symbol Factor, and all Rule 19 discount factors except the Age 65 or older discount factor to the previous number.

e. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.

f. If the result of step e. is less than the Part 5 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.

g. Apply the Age 65 or Older discount factor if appropriate

h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the Part 5 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.

i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the Part 5 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where  $MCF < 1.0$ ).

9. For Part 6

a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.

- b. Apply the Part 6 ILF factor to the previous number.
- c. Apply the PIP Symbol Factor, Transfer Pricing Factor, and all appropriate Rule 19 discount factors to the previous number.

10. For Parts 7 – 8 – 9

- a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply the appropriate Model Year/Symbol factor to the previous number.
- c. Apply the appropriate deductible factor under Rule 16, if applicable.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
- e. For Parts 7 and 9 only, apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- f. If the result of step e. is less than the Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
- g. Apply the Age 65 or Older discount factor if appropriate
- h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount.

11. For Part 10

- a. Apply the appropriate Part 10 base rate shown in the Miscellaneous Rating Factors section.
- b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

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12. For Part 11

- a. Apply the appropriate Part 11 base rate shown in the Miscellaneous Rating Factors section.
- b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

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13. For Part 12

- a. Apply the Part 12 ILF factor to the base rate shown in the Rate Pages section.
- b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

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## **RULE 11. PREMIUM CALCULATION RULE**

The rates shown on the rate pages are for limits of \$20,000/\$40,000 (Parts 1, 3, 5 and 12) or \$5,000 (Part 4 and 6). The charge for increased limits is determined by applying the factors shown in the Increased Limits Tables, as modified by the MAIP Capping Factor (MCF), to the base premium as described below.

The following sequence of steps shall be used in rating the policy for Private Passenger Vehicles (including vehicles listed in rules 32, 41, 45, 47):

1. Calculate the sum of Basic Limits Premium for Part 1, Part 2, Part 3 and Part 4, as well as Part 5 if purchased as described in sections 4-8 below. In this step, both MCF and ILF shall be set to equal 1.00 wherever they appear. In addition, the premium adjustments described in sections 4h-i, 5h-i, 7h-i, and 8h-i are not applied.
2. Calculate the sum of Basic Limits MAIP Rate Premium for Part 1, Part 2, Part 3 and Part 4 as well as Part 5 if purchased, in accordance with the MAIP Rate Plan and rules effective 4/1/2011.
3. When a vehicle is rated for the Basic Coverage Package of: 20/40 bodily injury liability (including guest and out-of-state coverage), \$8,000 personal injury protection, \$5,000 property damage liability, and 20/40 uninsured motorist coverage, calculate MCF, equal to the Ratio of the Premium calculated in Step #2 to that calculated in Step #1. Set MCF equal to 1.00 for all other vehicles, or if any of the following conditions apply:
  - The calculated ratio, MCF, is greater than 1.00,
  - The insured does not qualify for the Low Frequency Discount in the MAIP Rating Plan
  - The insured does not qualify for the Continuous Coverage Discount in the MAIP Rating Plan
4. For Part 1
  - a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
  - b. Apply the MCF factor to the previous number.
  - c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
  - d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
  - e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
  - f. If the result of step e. is less than the Part 1 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
  - g. Apply the Age 65 or Older discount factor if appropriate

- h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the Part 1 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the Part 1 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where  $MCF < 1.0$ ).

5. For Part 2

- a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply a factor equal to  $MCF \times [1 - \text{PIP Deductible Factor}]$  to the previous number.
- c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, PIP Symbol Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
- d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- f. If the result of step e. is less than the Part 2 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
- g. Apply the Age 65 or Older discount factor if appropriate
- h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the Part 2 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the Part 2 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where  $MCF < 1.0$ ).

6. For Part 3

- a. Apply a factor equal to  $[MCF + \text{Part 3 ILF} - 1]$  to the base rate shown in the Rate Pages section.
- b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

7. For Part 4

- a. apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply a factor equal to  $[MCF + \text{Part 4 ILF} - 1]$  to the previous number.
- c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule

19 discount factors except the Age 65 or Older discount factor to the previous number.

d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.

e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.

f. If the result of step e. is less than the Part 4 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.

g. Apply the Age 65 or older discount factor if appropriate

h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the Part 4 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.

i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the Part 4 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where  $MCF < 1.0$ ).

8. For Part 5

a. Apply a factor equal to  $[MCF + \text{Part 5 ILF} - 1]$  to the Part 5 base rate as shown in the Rate Pages section.

b. Apply a factor equal to  $[\text{Part 5 ILF} - 1]$  to the Part 1 base rate as shown in the Rate Pages section.

c. Apply the appropriate Tier Factor as determined in rule 29 to the sum of the numbers calculated in steps a. and b.

d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 19 discount factors except the Age 65 or older discount factor to the previous number.

e. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.

f. If the result of step e. is less than the Part 5 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.

g. Apply the Age 65 or Older discount factor if appropriate

h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the Part 5 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.

i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the Part 5 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where  $MCF < 1.0$ ).

9. For Part 6

a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.

- b. Apply the Part 6 ILF factor to the previous number.
- c. Apply the PIP Symbol Factor, Transfer Pricing Factor, and all appropriate Rule 19 discount factors to the previous number.

10. For Parts 7 – 8 – 9

- a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply the appropriate Model Year/Symbol factor to the previous number.
- c. Apply the appropriate deductible factor under Rule 16, if applicable.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
- e. For Parts 7 and 9 only, apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- f. If the result of step e. is less than the Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
- g. Apply the Age 65 or Older discount factor if appropriate
- h. For any vehicle on a renewing policy, if the result of step g. exceeds 120% of the premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 95% of the premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount.

11. For Part 10

- a. Apply the appropriate Part 10 base rate shown in the Miscellaneous Rating Factors section.
- b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

12. For Part 11

- a. Apply the appropriate Part 11 base rate shown in the Miscellaneous Rating Factors section.
- b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

13. For Part 12

- a. Apply the Part 12 ILF factor to the base rate shown in the Rate Pages section.
- b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

**RULE 24. Transfer Credit**

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A maximum credit of 10% may be applied for a policy which is part of an agent book transfer if the policy has been insured with the agency for twelve months and the policy is quoted and issued more than 30 days before the proposed effective date. The credit applied to the policy will decrease two percentage points at each renewal until unity is achieved. The intent of this rule is to minimize any rate disruption in placing the customer with Plymouth Rock.

**Level Credit Factor**

<u>Level 5</u>	<u>0.90</u>
<u>Level 4</u>	<u>0.92</u>
<u>Level 3</u>	<u>0.94</u>
<u>Level 2</u>	<u>0.96</u>
<u>Level 1</u>	<u>0.98</u>
<u>Unity</u>	<u>1.00</u>

Policies under this program will be eligible for neither the Advance Issue nor the Renewal Account Review discount.

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**RULE 24. Transfer Credit**

A maximum credit of 10% may be applied for a policy which is part of an agent book transfer if the policy has been insured with the agency for twelve months and the policy is quoted and issued more than 30 days before the proposed effective date. The credit applied to the policy will decrease two percentage points at each renewal until unity is achieved. The intent of this rule is to minimize any rate disruption in placing the customer with Plymouth Rock.

<b>Level Credit</b>	<b>Factor</b>
Level 5	0.90
Level 4	0.92
Level 3	0.94
Level 2	0.96
Level 1	0.98
Unity	1.00

Policies under this program will be eligible for neither the Advance Issue nor the Renewal Account Review discount.



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