

RULE 11 PREMIUM CALCULATION

The following steps shall be used in rating Private Passenger Vehicles, including without limitation, vehicles described in Rule 6.

A. For Parts 1 and 5

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 1 & 5 base rate shown in that rule.
2. Apply the Bodily Injury Liability ILF factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Liability Symbol Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 1 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds 109% of the combined Part 1 and 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% of the combined Part 1 and 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.

B. For Part 2

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 2 base rate shown in that rule.
2. Apply the PIP deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 2 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds 109% 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% 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.

C. For Part 3

1. Apply the Uninsured Motorist ILF to the Part 3 base rate.
2. Apply the Household Risk Factor, and all applicable Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 3 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 3 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.

D. For Part 4

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 4 base rate shown in that rule.
2. Apply the Property Damage Liability ILF factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Liability Symbol Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 4 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds 109% 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% 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.

E. For Part 6

1. Apply the Medical Payments ILF to the Part 6 base rate.
2. Apply the Developed Household Risk Factor, Mileage Band Factor, and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 6 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 6 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.

F. For Parts 7 and 8

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 7/Part 8 base rate shown in that rule.
2. Apply the Collision deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Collision Symbol Factor, Model Year Factor, Customizing Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. For any vehicle on a renewing policy, if the result of step 3 exceeds 109% of the Part 7 or 8 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.
5. For any vehicle on a renewing policy, if the result of step 3 is less than 98% of the Part 7 or 8 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..

G. For Part 9

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 9 base rate shown in that rule.
2. Apply the Comprehensive deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Comprehensive Symbol Factor, Model Year Factor, Customizing Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. For any vehicle on a renewing policy, if the result of step 3 exceeds 109% of the Part 9 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.
5. For any vehicle on a renewing policy, if the result of step 3 is less than 98% of the Part 9 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.

H. For Part 10

1. Apply the Substitute Transportation ILF to the Part 10 base rate.
2. Apply the Transfer Pricing Factor and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 10 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 10 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.

I. For Part 11

1. Apply the Towing and Labor ILF to the Part 11 base rate.
2. Apply the Transfer Pricing Factor and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 11 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 11 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.

J. For Part 12

1. Apply the Underinsured Motorist ILF to the Part 12 base rate.
2. Apply the Household Risk Factor, and all applicable Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 12 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 12 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.

Basic Coverage Capping

The Basic Coverage Capping calculation is performed only when the following three conditions all apply:

- The insured has selected the Basic Coverage Package of 20/40 bodily injury liability (including guest and out-of-state coverage); \$8,000 personal injury protection, no deductible; \$5,000 property damage liability; and 20/40 uninsured motorist coverage for the vehicle being rated.
 - The insured qualifies for the Low Frequency Discount as described in the MAIP Rating Plan and Rules effective 10/1/2013.
 - The insured qualifies for the Continuous Coverage Discount as described in the MAIP Rating Plan and Rules effective 10/1/2013.
1. Calculate the sum of the premiums calculated for Parts 1-5 in steps A-D.
 2. Calculate the sum of Basic Limits 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 10/1/2013.
 3. Calculate a Basic Coverage Capping factor (BCF), which is equal to the premium calculated in step 2 divided by the premium calculated in step 1, or 1.00 – whichever is less.
 4. Multiply each of the individual premiums calculated in steps A-D for Parts 1+5, 2, 3 and 4 respectively by the BCF.

Premium Relief Factor

When the sum of all premiums as calculated in paragraphs A-J, including any capping, is more than 9% greater than the premium applicable to the expiring policy term, a further adjustment factor (Premium Relief Factor) may apply. The Premium Relief Factor (PRF) is applicable to renewal terms only, is determined when each renewal policy is issued, and applies throughout the policy term. The factor will not change during the policy term as a result of changes to coverage or exposure. The PRF applies to all vehicles that are listed on the policy when it is issued and to any replacement vehicles. However, Premium Relief will not apply if either of the following two conditions is true when the renewal policy is issued:

- Any rated driver on the renewing policy is charged with a motor vehicle violation or violations having a surcharge date in the expiring policy term.
- There are one or more additional claims for coverage parts 1, 2, 4, 5, 6, 7 or 8 on which more than \$50 has been paid and which have a date of loss in the expiring policy term.

The PRF is calculated so as to reduce the increase in the sum of all premiums on the renewing policy to:

- 9%, plus
- 0.05 times the difference between 9% and the lesser of the full increase and 19%, plus
- 1.00 times the increase above 19% (if any).

Final Part 1 and Part 5 Premiums

1. Calculate the ratio of the Bodily Injury Liability ILF for 20/40 excluding guest and out-of-state coverage (Statutory Limit ILF) to the actual Bodily Injury Liability ILF used in step A.2.
2. The final Part 1 premium is equal to the ratio calculated in step 1 multiplied by the final results of section A, as modified by the calculation in section K, when applicable.
3. The final Part 5 premium is equal to the final Part 1 premium from the previous step subtracted from the final results of section A, as modified by the Basic Coverage Capping and/or Premium Relief Factor calculations, when applicable.

Business Use Factor

The Business Use Factor used in the premium calculation for Parts 1/5, 2, 4, 7/8, and 9 is applied when the class associated with the vehicle is Class 30 (Rule 3.B)

Customizing Factor

Collision (Part 7), Limited Collision (Part 8), or Comprehensive (Part 9) coverage for custom furnishings or equipment is available for any private passenger automobile insured under the policy for these coverages. A Customizing Factor will apply based on the value specified for the customized equipment.

Motor Homes

Motor Homes are rated identically to other private passenger vehicles.

Trailers and Camper Bodies

Trailers and Camper Bodies may be insured for Collision (Part 7) or Limited Collision (Part 8), and/or Comprehensive (Part 9) only. The premium is based on the cost new or actual cash value, whichever is greater. The Collision premium is equal to \$0.80 per \$100 of value with waiver of deductible (\$0.78 per \$100 of value without waiver of deductible), the Limited Collision premium is equal to \$0.10 per \$100 of value, and the Comprehensive premium is equal to \$0.30 per \$100 of value with full glass coverage (\$0.28 per \$100 of value with \$100 glass deductible). These premiums may be further adjusted for the Group Marketing Credit.

Antique Vehicles (excluding Antique Motorcycles)

Apply the formulas described in sections A-J, and section L, with the following modifications:

1. Ignore any reference to Liability, Collision, Comprehensive Symbol, or Customizing Factors
2. Substitute "Antique Factor" for "Mileage Band Factor" wherever the latter appears
3. For section F use the base rate of \$1.20 per \$100 of actual cash value, and for section G use the base rate of \$0.40 per \$100 of actual cash value

Whole Dollar Premium

The premium for each exposure shall be rounded 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.

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 31 PREMIUM CALCULATION

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 all Standard Private Passenger Vehicles, Vans, and Similar Type Vehicles (including Customized vehicles and Stated Amount and Agreed Amount coverages). Refer to the Miscellaneous Motor Vehicle Rating page for Pick-Ups, Trailers, Motor Homes, Motorcycles, Antiques, and Antique Motorcycles.

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 4i-k, 5i-k, 7i-k, and 8j-kj 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 10/1/2013.

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 8 to the Part 1 & 5 base rate shown in that rule.
- b. Apply the Part 1 Rating Class/Territory relativity factor to the previous number.
- c. Apply the MCF factor to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 1 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds 109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the premium relief factor if appropriate.

5. For Part 2

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 2 base rate shown in that rule.
- b. Apply the Part 2 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $MCF \times [1 - \text{PIP Deductible Factor}]$ to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, PIP Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.

- g. If the result of step f. is less than the Part 2 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds 109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the premium relief factor if appropriate.

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 Transfer Pricing Factor and all appropriate Rule 32 discount factors to the previous number.

7. For Part 4

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 4 base rate shown in that rule.
- b. Apply the Part 4 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $[MCF + \text{Part 4 ILF} - 1]$ to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 4 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds 109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the premium relief factor if appropriate.

8. For Part 5

- a. Apply a factor equal to $[MCF + \text{Part 5 ILF} - 1]$ to the Rule 8 Part 1 & 5 base rate as shown in that rule.
- b. Apply the Part 5 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $[\text{Part 5 ILF} - 1]$ to the Part 1 & 5 base rate as shown in that rule.
- d. Apply the Part 1 Rating Class/Territory relativity factor to the previous number.
- e. Apply the appropriate Tier Factor as determined in Rule 8 to the sum of the numbers calculated in steps b. and d.
- f. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 discount factors except the Age 65 or older discount factor to the previous number.
- g. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- h. If the result of step g. is less than the Part 5 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step g.
- i. Apply the Age 65 or Older discount factor if appropriate
- j. For any vehicle on a renewing policy, if the result of step i. exceeds 109% 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.
- k. For any vehicle on a renewing policy, if the result of step i. is less than 98% 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 $MCF < 1.0$).

- I. Apply the premium relief factor if appropriate.

9. For Part 6

- a. Apply the appropriate Tier Factor as determined in Rule 8 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 32 discount factors to the previous number.

10. For Parts 7 – 8 – 9

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 7 or Part 9 base rate shown in that rule.
- b. Apply the Part 7, Part 8, or Part 9 Rating Class/Territory relativity factor to the previous number.
- c. Apply the appropriate Model Year/Symbol factor to the previous number.
- d. Apply the appropriate deductible factor from the Miscellaneous Rating Factors page, if applicable.
- e. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, and all Rule 32 discount factors except the Age 65 or Older discount factor to the previous number.
- f. For Parts 7 and 9 only, apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- g. If the result of step f. is less than the Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds 109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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.
- k. Apply the premium relief factor if appropriate.

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 32 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 32 discount factors to the previous number.

13. For Part 12

- a. Apply the Transfer Pricing Factor and Part 12 ILF factor to the base rate shown in the Rate Pages section.
- b. Apply all appropriate Rule 32 discount factors to the previous number.

Whole Dollar Premium

The premium for each exposure shall be rounded 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.

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.

Exceptions:

- (1) The discount for insureds age 65 and older - refer to Rule 32.

Symbol Assignment and Rating

Apply appropriate symbol factor as determined from Model/Year Symbol factor pages for vehicles with symbols 1-26 and Rule 37.C for vehicles with symbol 27.

Premium Relief Factor

When the sum of all premiums as calculated in steps 4-13, including any capping, is more than 9% greater than the premium applicable to the expiring policy term, a further adjustment factor (Premium Relief Factor) may apply as indicated in steps 4k, 5k, 7k, 8l and 10k. The Premium Relief Factor (PRF) is applicable to renewal terms only, is determined when each renewal policy is issued, and applies throughout the policy term. The factor will not change during the policy term as a result of changes to coverage or exposure. The PRF applies to all vehicles that are listed on the policy when it is issued and to any replacement vehicles. However, Premium Relief will not apply if either of the following two conditions is true when the renewal policy is issued:

- Any rated driver on the renewing policy is charged with a motor vehicle violation or violations having a surcharge date in the expiring policy term.
- There are one or more additional claims for coverage parts 1, 2, 4, 5, 6, 7 or 8 on which more than \$50 has been paid and which have a date of loss in the expiring policy term.

The PRF is calculated so as to reduce the increase in the sum of all premiums on the renewing policy to:

- 9%, plus
- 0.05 times the difference between 9% and the lesser of the full increase and 19%, plus
- 1.00 times the increase above 19% (if any).

RULE 11 PREMIUM CALCULATION

The following steps shall be used in rating Private Passenger Vehicles, including without limitation, vehicles described in Rule 6.

A. For Parts 1 and 5

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 1 & 5 base rate shown in that rule.
2. Apply the Bodily Injury Liability ILF factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Liability Symbol Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 1 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds ~~108%~~109% of the combined Part 1 and 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% of the combined Part 1 and 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.

B. For Part 2

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 2 base rate shown in that rule.
2. Apply the PIP deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 2 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds ~~108%~~109% 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% 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.

C. For Part 3

1. Apply the Uninsured Motorist ILF to the Part 3 base rate.
2. Apply the Household Risk Factor, -and all applicable Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 3 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 3 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.

D. For Part 4

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 4 base rate shown in that rule.
2. Apply the Property Damage Liability ILF factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Liability Symbol Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 4 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds ~~108%~~109% 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% 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.

E. For Part 6

1. Apply the Medical Payments ILF to the Part 6 base rate.
2. Apply the Developed Household Risk Factor, Mileage Band Factor, and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 6 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 6 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.

F. For Parts 7 and 8

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 7/Part 8 base rate shown in that rule.
2. Apply the Collision deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Collision Symbol Factor, Model Year Factor, Customizing Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. For any vehicle on a renewing policy, if the result of step 3 exceeds ~~108%~~109% of the Part 7 or 8 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.
5. For any vehicle on a renewing policy, if the result of step 3 is less than 98% of the Part 7 or 8 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..

G. For Part 9

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 9 base rate shown in that rule.
2. Apply the Comprehensive deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Comprehensive Symbol Factor, Model Year Factor, Customizing Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. For any vehicle on a renewing policy, if the result of step 3 exceeds ~~108%~~109% of the Part 9 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.
5. For any vehicle on a renewing policy, if the result of step 3 is less than 98% of the Part 9 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.

H. For Part 10

1. Apply the Substitute Transportation ILF to the Part 10 base rate.
2. Apply the Transfer Pricing Factor and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 10 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 10 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.

I. For Part 11

1. Apply the Towing and Labor ILF to the Part 11 base rate.
2. Apply the Transfer Pricing Factor and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 11 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 11 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.

J. For Part 12

1. Apply the Underinsured Motorist ILF to the Part 12 base rate.
2. Apply the Household Risk Factor, and all applicable Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 12 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 12 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.

K. Basic Coverage Capping

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The Basic Coverage Capping calculation is performed only when the following three conditions all apply:

- The insured has selected the Basic Coverage Package of 20/40 bodily injury liability (including guest and out-of-state coverage); \$8,000 personal injury protection, no deductible; \$5,000 property damage liability; and 20/40 uninsured motorist coverage for the vehicle being rated.
 - The insured qualifies for the Low Frequency Discount as described in the MAIP Rating Plan and Rules effective 10/1/2013.
 - The insured qualifies for the Continuous Coverage Discount as described in the MAIP Rating Plan and Rules effective 10/1/2013.
1. Calculate the sum of the premiums calculated for Parts 1-5 in steps A-D.
 2. Calculate the sum of Basic Limits 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 10/1/2013.
 3. Calculate a Basic Coverage Capping factor (BCF), which is equal to the premium calculated in step 2 divided by the premium calculated in step 1, or 1.00 – whichever is less.
 4. Multiply each of the individual premiums calculated in steps A-D for Parts 1+5, 2, 3 and 4 respectively by the BCF.

L. Premium Relief Factor

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When the sum of all premiums as calculated in paragraphs A-J, including any capping, is more than 9% greater than the premium applicable to the expiring policy term, a further adjustment factor (Premium Relief Factor) may apply. The Premium Relief Factor (PRF) is applicable to renewal terms only, is determined when each renewal policy is issued, and applies throughout the policy term. The factor will not change during the policy term as a result of changes to coverage or exposure. The PRF applies to all vehicles that are listed on the policy when it is issued and to any replacement vehicles. However, Premium Relief will not apply if either of the following two conditions is true when the renewal policy is issued:

- Any rated driver on the renewing policy is charged with a motor vehicle violation or violations having a surcharge date in the expiring policy term.
- There are one or more additional claims for coverage parts 1, 2, 4, 5, 6, 7 or 8 on which more than \$50 has been paid and which have a date of loss in the expiring policy term.

The PRF is calculated so as to reduce the increase in the sum of all premiums on the renewing policy to:

- 9%, plus
- 0.05 times the difference between 9% and the lesser of the full increase and 19%, plus
- 1.00 times the increase above 19% (if any).

M. Final Part 1 and Part 5 Premiums

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1. Calculate the ratio of the Bodily Injury Liability ILF for 20/40 excluding guest and out-of-state coverage (Statutory Limit ILF) to the actual Bodily Injury Liability ILF used in step A.2.
2. The final Part 1 premium is equal to the ratio calculated in step 1 multiplied by the final results of section A, as modified by the calculation in section K, when applicable.
3. The final Part 5 premium is equal to the final Part 1 premium from the previous step subtracted from the final

results of section A, as modified by the ~~calculation~~Basic Coverage Capping and/or Premium Relief Factor calculations in section K, when applicable.

Business Use Factor

The Business Use Factor used in the premium calculation for Parts 1/5, 2, 4, 7/8, and 9 is applied when the class associated with the vehicle is Class 30 (Rule 3.B)

Customizing Factor

Collision (Part 7), Limited Collision (Part 8), or Comprehensive (Part 9) coverage for custom furnishings or equipment is available for any private passenger automobile insured under the policy for these coverages. A Customizing Factor will apply based on the value specified for the customized equipment.

Motor Homes

Motor Homes are rated identically to other private passenger vehicles.

Trailers and Camper Bodies

Trailers and Camper Bodies may be insured for Collision (Part 7) or Limited Collision (Part 8), and/or Comprehensive (Part 9) only. The premium is based on the cost new or actual cash value, whichever is greater. The Collision premium is equal to \$0.80 per \$100 of value with waiver of deductible (\$0.78 per \$100 of value without waiver of deductible), the Limited Collision premium is equal to \$0.10 per \$100 of value, and the Comprehensive premium is equal to \$0.30 per \$100 of value with full glass coverage (\$0.28 per \$100 of value with \$100 glass deductible). These premiums may be further adjusted for the Group Marketing Credit.

Antique Vehicles (excluding Antique Motorcycles)

Apply the formulas described in sections A-J, and section L, with the following modifications:

1. Ignore any reference to Liability, Collision, Comprehensive Symbol, or Customizing Factors
2. Substitute "Antique Factor" for "Mileage Band Factor" wherever the latter appears
3. For section F use the base rate of \$1.20 per \$100 of actual cash value, and for section G use the base rate of \$0.40 per \$100 of actual cash value

Whole Dollar Premium

The premium for each exposure shall be rounded 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.

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 31 PREMIUM CALCULATION

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 all Standard Private Passenger Vehicles, Vans, and Similar Type Vehicles (including Customized vehicles and Stated Amount and Agreed Amount coverages). Refer to the Miscellaneous Motor Vehicle Rating page for Pick-Ups, Trailers, Motor Homes, Motorcycles, Antiques, and Antique Motorcycles (including vehicles described in Rule 6):

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 4i-k, 5i-k, 7i-k, and 8j-kj 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 10/1/2013.

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

- Apply the appropriate Tier Factor as determined in Rule 8 to the Part 1 & 5 base rate shown in that rule.
- Apply the Part 1 Rating Class/Territory relativity factor to the previous number.
- Apply the MCF factor to the previous number.
- Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 discount factors except the Age 65 or Older discount factor to the previous number.
- Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- If the result of step f. is less than the Part 1 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- Apply the Age 65 or Older discount factor if appropriate
- For any vehicle on a renewing policy, if the result of step h. exceeds ~~107%~~109% 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.
- For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- Apply the ~~modified cap premium relief~~ factor if appropriate.

5. For Part 2

- Apply the appropriate Tier Factor as determined in Rule 8 to the Part 2 base rate shown in that rule.
- Apply the Part 2 Rating Class/Territory relativity factor to the previous number.
- Apply a factor equal to $MCF \times [1 - \text{PIP Deductible Factor}]$ to the previous number.
- Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, PIP Symbol Factor, and all Rule 32 discount factors except the Age 65 or Older discount factor to the previous number.
- Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.

- g. If the result of step f. is less than the Part 2 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~107%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the ~~modified cap premium relief~~ factor if appropriate.

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 Transfer Pricing Factor and all appropriate Rule 32 discount factors to the previous number.

7. For Part 4

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 4 base rate shown in that rule.
- b. Apply the Part 4 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $[MCF + \text{Part 4 ILF} - 1]$ to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 4 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~107%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the ~~modified cap premium relief~~ factor if appropriate.

8. For Part 5

- a. Apply a factor equal to $[MCF + \text{Part 5 ILF} - 1]$ to the Rule 8 Part 1 & 5 base rate as shown in that rule.
- b. Apply the Part 5 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $[\text{Part 5 ILF} - 1]$ to the Part 1 & 5 base rate as shown in that rule.
- d. Apply the Part 1 Rating Class/Territory relativity factor to the previous number.
- e. Apply the appropriate Tier Factor as determined in Rule 8 to the sum of the numbers calculated in steps b. and d.
- f. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 discount factors except the Age 65 or older discount factor to the previous number.
- g. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- h. If the result of step g. is less than the Part 5 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step g.
- i. Apply the Age 65 or Older discount factor if appropriate
- j. For any vehicle on a renewing policy, if the result of step i. exceeds ~~107%~~109% 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.
- k. For any vehicle on a renewing policy, if the result of step i. is less than 98% 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 $MCF < 1.0$).

- I. Apply the ~~modified cap~~premium relief factor if appropriate.

9. For Part 6

- a. Apply the appropriate Tier Factor as determined in Rule 8 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 32 discount factors to the previous number.

10. For Parts 7 – 8 – 9

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 7 or Part 9 base rate shown in that rule.
- b. Apply the Part 7, Part 8, or Part 9 Rating Class/Territory relativity factor to the previous number.
- c. Apply the appropriate Model Year/Symbol factor to the previous number.
- d. Apply the appropriate deductible factor from the Miscellaneous Rating Factors page, if applicable.
- e. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, and all Rule 32 discount factors except the Age 65 or Older discount factor to the previous number.
- f. For Parts 7 and 9 only, apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- g. If the result of step f. is less than the Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~107%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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.
- k. Apply the ~~modified cap~~premium relief factor if appropriate.

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 32 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 32 discount factors to the previous number.

13. For Part 12

- a. Apply the Transfer Pricing Factor and Part 12 ILF factor to the base rate shown in the Rate Pages section.
- b. Apply all appropriate Rule 32 discount factors to the previous number.

Whole Dollar Premium

The premium for each exposure shall be rounded 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.

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.

Exceptions:

- (1) The discount for insureds age 65 and older - refer to Rule 32.

Symbol Assignment and Rating

Apply appropriate symbol factor as determined from Model/Year Symbol factor pages for vehicles with symbols 1-26 and Rule 37.C for vehicles with symbol 27.

Premium Relief Factor

When the sum of all premiums as calculated in steps 4-13, including any capping, is more than 9% greater than the premium applicable to the expiring policy term, a further adjustment factor (Premium Relief Factor) may apply as indicated in steps 4k, 5k, 7k, 8l and 10k. The Premium Relief Factor (PRF) is applicable to renewal terms only, is determined when each renewal policy is issued, and applies throughout the policy term. The factor will not change during the policy term as a result of changes to coverage or exposure. The PRF applies to all vehicles that are listed on the policy when it is issued and to any replacement vehicles. However, Premium Relief will not apply if either of the following two conditions is true when the renewal policy is issued:

- Any rated driver on the renewing policy is charged with a motor vehicle violation or violations having a surcharge date in the expiring policy term.
- There are one or more additional claims for coverage parts 1, 2, 4, 5, 6, 7 or 8 on which more than \$50 has been paid and which have a date of loss in the expiring policy term.

The PRF is calculated so as to reduce the increase in the sum of all premiums on the renewing policy to:

- 9%, plus
- 0.05 times the difference between 9% and the lesser of the full increase and 19%, plus
- 1.00 times the increase above 19% (if any).

Modified Cap Factor

For renewal policies, an adjustment factor will be applied to policies meeting the following criteria:

- The policy has been continuously insured with Plymouth Rock for the prior 84 months OR is part of a qualified Agency Transfer
- The total Merit Rating Plan Operator points on rated drivers has not increased since the prior policy term
- There is at least one driver on the policy with 49 years or more of driving experience
- Annual mileage on no vehicle has increased by more than 20% over the prior term

Comparing the renewal premium before Modified Cap Factor to the expiring premium, this factor is determined as follows:

- If the year-over-year premium change on the policy is less than 15%, no Modified Cap Factor is applied
- If the year-over-year premium change on the policy is at least 15%, but less than 20%, a 0.95 Modified Cap Factor is applied
- If the year-over-year premium change on the policy is at least 20%, a 0.90 Modified Cap Factor is applied

This adjustment will be applied after all other factors, including rate capping.

RULE 11 PREMIUM CALCULATION

The following steps shall be used in rating Private Passenger Vehicles, including without limitation, vehicles described in Rule 6.

A. For Parts 1 and 5

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 1 & 5 base rate shown in that rule.
2. Apply the Bodily Injury Liability ILF factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Liability Symbol Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 1 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds ~~108%~~109% of the combined Part 1 and 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% of the combined Part 1 and 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.

B. For Part 2

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 2 base rate shown in that rule.
2. Apply the PIP deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 2 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds ~~108%~~109% 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% 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.

C. For Part 3

1. Apply the Uninsured Motorist ILF to the Part 3 base rate.
2. Apply the Household Risk Factor, -and all applicable Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 3 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 3 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.

D. For Part 4

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 4 base rate shown in that rule.
2. Apply the Property Damage Liability ILF factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Liability Symbol Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 4 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds ~~108%~~109% 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% 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.

E. For Part 6

1. Apply the Medical Payments ILF to the Part 6 base rate.
2. Apply the Developed Household Risk Factor, Mileage Band Factor, and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 6 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 6 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.

F. For Parts 7 and 8

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 7/Part 8 base rate shown in that rule.
2. Apply the Collision deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Collision Symbol Factor, Model Year Factor, Customizing Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. For any vehicle on a renewing policy, if the result of step 3 exceeds ~~108%~~109% of the Part 7 or 8 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.
5. For any vehicle on a renewing policy, if the result of step 3 is less than 98% of the Part 7 or 8 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..

G. For Part 9

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 9 base rate shown in that rule.
2. Apply the Comprehensive deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Comprehensive Symbol Factor, Model Year Factor, Customizing Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. For any vehicle on a renewing policy, if the result of step 3 exceeds ~~108%~~109% of the Part 9 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.
5. For any vehicle on a renewing policy, if the result of step 3 is less than 98% of the Part 9 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.

H. For Part 10

1. Apply the Substitute Transportation ILF to the Part 10 base rate.
2. Apply the Transfer Pricing Factor and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 10 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 10 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.

I. For Part 11

1. Apply the Towing and Labor ILF to the Part 11 base rate.
2. Apply the Transfer Pricing Factor and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 11 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 11 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.

J. For Part 12

1. Apply the Underinsured Motorist ILF to the Part 12 base rate.
2. Apply the Household Risk Factor, and all applicable Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 12 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 12 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.

~~K.~~ **Basic Coverage Capping**

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The Basic Coverage Capping calculation is performed only when the following three conditions all apply:

- The insured has selected the Basic Coverage Package of 20/40 bodily injury liability (including guest and out-of-state coverage); \$8,000 personal injury protection, no deductible; \$5,000 property damage liability; and 20/40 uninsured motorist coverage for the vehicle being rated.
 - The insured qualifies for the Low Frequency Discount as described in the MAIP Rating Plan and Rules effective 10/1/2013.
 - The insured qualifies for the Continuous Coverage Discount as described in the MAIP Rating Plan and Rules effective 10/1/2013.
1. Calculate the sum of the premiums calculated for Parts 1-5 in steps A-D.
 2. Calculate the sum of Basic Limits 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 10/1/2013.
 3. Calculate a Basic Coverage Capping factor (BCF), which is equal to the premium calculated in step 2 divided by the premium calculated in step 1, or 1.00 – whichever is less.
 4. Multiply each of the individual premiums calculated in steps A-D for Parts 1+5, 2, 3 and 4 respectively by the BCF.

Premium Relief Factor

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When the sum of all premiums as calculated in paragraphs A-J, including any capping, is more than 9% greater than the premium applicable to the expiring policy term, a further adjustment factor (Premium Relief Factor) may apply. The Premium Relief Factor (PRF) is applicable to renewal terms only, is determined when each renewal policy is issued, and applies throughout the policy term. The factor will not change during the policy term as a result of changes to coverage or exposure. The PRF applies to all vehicles that are listed on the policy when it is issued and to any replacement vehicles. However, Premium Relief will not apply if either of the following two conditions is true when the renewal policy is issued:

- Any rated driver on the renewing policy is charged with a motor vehicle violation or violations having a surcharge date in the expiring policy term.
- There are one or more additional claims for coverage parts 1, 2, 4, 5, 6, 7 or 8 on which more than \$50 has been paid and which have a date of loss in the expiring policy term.

The PRF is calculated so as to reduce the increase in the sum of all premiums on the renewing policy to:

- 9%, plus
- 0.05 times the difference between 9% and the lesser of the full increase and 19%, plus
- 1.00 times the increase above 19% (if any).

~~L.~~ **Final Part 1 and Part 5 Premiums**

1. Calculate the ratio of the Bodily Injury Liability ILF for 20/40 excluding guest and out-of-state coverage (Statutory Limit ILF) to the actual Bodily Injury Liability ILF used in step A.2.
2. The final Part 1 premium is equal to the ratio calculated in step 1 multiplied by the final results of section A, as modified by the calculation in section K, when applicable.
3. The final Part 5 premium is equal to the final Part 1 premium from the previous step subtracted from the final

results of section A, as modified by the ~~calculation~~Basic Coverage Capping and/or Premium Relief Factor calculations in section K, when applicable.

Business Use Factor

The Business Use Factor used in the premium calculation for Parts 1/5, 2, 4, 7/8, and 9 is applied when the class associated with the vehicle is Class 30 (Rule 3.B)

Customizing Factor

Collision (Part 7), Limited Collision (Part 8), or Comprehensive (Part 9) coverage for custom furnishings or equipment is available for any private passenger automobile insured under the policy for these coverages. A Customizing Factor will apply based on the value specified for the customized equipment.

Motor Homes

Motor Homes are rated identically to other private passenger vehicles.

Trailers and Camper Bodies

Trailers and Camper Bodies may be insured for Collision (Part 7) or Limited Collision (Part 8), and/or Comprehensive (Part 9) only. The premium is based on the cost new or actual cash value, whichever is greater. The Collision premium is equal to \$0.80 per \$100 of value with waiver of deductible (\$0.78 per \$100 of value without waiver of deductible), the Limited Collision premium is equal to \$0.10 per \$100 of value, and the Comprehensive premium is equal to \$0.30 per \$100 of value with full glass coverage (\$0.28 per \$100 of value with \$100 glass deductible). These premiums may be further adjusted for the Group Marketing Credit.

Antique Vehicles (excluding Antique Motorcycles)

Apply the formulas described in sections A-J, and section L, with the following modifications:

1. Ignore any reference to Liability, Collision, Comprehensive Symbol, or Customizing Factors
2. Substitute "Antique Factor" for "Mileage Band Factor" wherever the latter appears
3. For section F use the base rate of \$1.20 per \$100 of actual cash value, and for section G use the base rate of \$0.40 per \$100 of actual cash value

Whole Dollar Premium

The premium for each exposure shall be rounded 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.

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 31 PREMIUM CALCULATION

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 all Standard Private Passenger Vehicles, Vans, and Similar Type Vehicles (including Customized vehicles and Stated Amount and Agreed Amount coverages). Refer to the Miscellaneous Motor Vehicle Rating page for Pick-Ups, Trailers, Motor Homes, Motorcycles, Antiques, and Antique Motorcycles (including vehicles described in Rule 6):

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 4i-k, 5i-k, 7i-k, and 8j-kj 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 10/1/2013.
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 8 to the Part 1 & 5 base rate shown in that rule.
 - b. Apply the Part 1 Rating Class/Territory relativity factor to the previous number.
 - c. Apply the MCF factor to the previous number.
 - d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
 - g. If the result of step f. is less than the Part 1 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
 - h. Apply the Age 65 or Older discount factor if appropriate
 - i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~107%~~109% 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.
 - j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
 - k. Apply the ~~modified cap premium relief~~ factor if appropriate.
5. For Part 2
 - a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 2 base rate shown in that rule.
 - b. Apply the Part 2 Rating Class/Territory relativity factor to the previous number.
 - c. Apply a factor equal to $MCF \times [1 - \text{PIP Deductible Factor}]$ to the previous number.
 - d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, PIP Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.

- g. If the result of step f. is less than the Part 2 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~107%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the ~~modified cap premium relief~~ factor if appropriate.

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 Transfer Pricing Factor and all appropriate Rule 32 discount factors to the previous number.

7. For Part 4

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 4 base rate shown in that rule.
- b. Apply the Part 4 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $[MCF + \text{Part 4 ILF} - 1]$ to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 4 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~107%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the ~~modified cap premium relief~~ factor if appropriate.

8. For Part 5

- a. Apply a factor equal to $[MCF + \text{Part 5 ILF} - 1]$ to the Rule 8 Part 1 & 5 base rate as shown in that rule.
- b. Apply the Part 5 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $[\text{Part 5 ILF} - 1]$ to the Part 1 & 5 base rate as shown in that rule.
- d. Apply the Part 1 Rating Class/Territory relativity factor to the previous number.
- e. Apply the appropriate Tier Factor as determined in Rule 8 to the sum of the numbers calculated in steps b. and d.
- f. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 discount factors except the Age 65 or older discount factor to the previous number.
- g. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- h. If the result of step g. is less than the Part 5 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step g.
- i. Apply the Age 65 or Older discount factor if appropriate
- j. For any vehicle on a renewing policy, if the result of step i. exceeds ~~107%~~109% 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.
- k. For any vehicle on a renewing policy, if the result of step i. is less than 98% 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 $MCF < 1.0$).

- I. Apply the ~~modified cap~~premium relief factor if appropriate.

9. For Part 6

- a. Apply the appropriate Tier Factor as determined in Rule 8 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 32 discount factors to the previous number.

10. For Parts 7 – 8 – 9

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 7 or Part 9 base rate shown in that rule.
- b. Apply the Part 7, Part 8, or Part 9 Rating Class/Territory relativity factor to the previous number.
- c. Apply the appropriate Model Year/Symbol factor to the previous number.
- d. Apply the appropriate deductible factor from the Miscellaneous Rating Factors page, if applicable.
- e. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, and all Rule 32 discount factors except the Age 65 or Older discount factor to the previous number.
- f. For Parts 7 and 9 only, apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- g. If the result of step f. is less than the Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~107%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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.
- k. Apply the ~~modified cap~~premium relief factor if appropriate.

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 32 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 32 discount factors to the previous number.

13. For Part 12

- a. Apply the Transfer Pricing Factor and Part 12 ILF factor to the base rate shown in the Rate Pages section.
- b. Apply all appropriate Rule 32 discount factors to the previous number.

Whole Dollar Premium

The premium for each exposure shall be rounded 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.

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.

Exceptions:

- (1) The discount for insureds age 65 and older - refer to Rule 32.

Symbol Assignment and Rating

Apply appropriate symbol factor as determined from Model/Year Symbol factor pages for vehicles with symbols 1-26 and Rule 37.C for vehicles with symbol 27.

Premium Relief Factor

When the sum of all premiums as calculated in steps 4-13, including any capping, is more than 9% greater than the premium applicable to the expiring policy term, a further adjustment factor (Premium Relief Factor) may apply as indicated in steps 4k, 5k, 7k, 8l and 10k. The Premium Relief Factor (PRF) is applicable to renewal terms only, is determined when each renewal policy is issued, and applies throughout the policy term. The factor will not change during the policy term as a result of changes to coverage or exposure. The PRF applies to all vehicles that are listed on the policy when it is issued and to any replacement vehicles. However, Premium Relief will not apply if either of the following two conditions is true when the renewal policy is issued:

- Any rated driver on the renewing policy is charged with a motor vehicle violation or violations having a surcharge date in the expiring policy term.
- There are one or more additional claims for coverage parts 1, 2, 4, 5, 6, 7 or 8 on which more than \$50 has been paid and which have a date of loss in the expiring policy term.

The PRF is calculated so as to reduce the increase in the sum of all premiums on the renewing policy to:

- 9%, plus
- 0.05 times the difference between 9% and the lesser of the full increase and 19%, plus
- 1.00 times the increase above 19% (if any).

Modified Cap Factor

For renewal policies, an adjustment factor will be applied to policies meeting the following criteria:

- The policy has been continuously insured with Plymouth Rock for the prior 84 months OR is part of a qualified Agency Transfer
- The total Merit Rating Plan Operator points on rated drivers has not increased since the prior policy term
- There is at least one driver on the policy with 49 years or more of driving experience
- Annual mileage on no vehicle has increased by more than 20% over the prior term

Comparing the renewal premium before Modified Cap Factor to the expiring premium, this factor is determined as follows:

- If the year-over-year premium change on the policy is less than 15%, no Modified Cap Factor is applied
- If the year-over-year premium change on the policy is at least 15%, but less than 20%, a 0.95 Modified Cap Factor is applied
- If the year-over-year premium change on the policy is at least 20%, a 0.90 Modified Cap Factor is applied

This adjustment will be applied after all other factors, including rate capping.

RULE 11 PREMIUM CALCULATION

The following steps shall be used in rating Private Passenger Vehicles, including without limitation, vehicles described in Rule 6.

A. For Parts 1 and 5

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 1 & 5 base rate shown in that rule.
2. Apply the Bodily Injury Liability ILF factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Liability Symbol Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 1 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds ~~108%~~109% of the combined Part 1 and 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% of the combined Part 1 and 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.

B. For Part 2

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 2 base rate shown in that rule.
2. Apply the PIP deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 2 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds ~~108%~~109% 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% 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.

C. For Part 3

1. Apply the Uninsured Motorist ILF to the Part 3 base rate.
2. Apply the Household Risk Factor, and all applicable Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 3 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 3 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.

D. For Part 4

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 4 base rate shown in that rule.
2. Apply the Property Damage Liability ILF factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Liability Symbol Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 4 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds ~~108%~~109% 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% 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.

E. For Part 6

1. Apply the Medical Payments ILF to the Part 6 base rate.
2. Apply the Developed Household Risk Factor, Mileage Band Factor, and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 6 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 6 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.

F. For Parts 7 and 8

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 7/Part 8 base rate shown in that rule.
2. Apply the Collision deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Collision Symbol Factor, Model Year Factor, Customizing Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. For any vehicle on a renewing policy, if the result of step 3 exceeds ~~108%~~109% of the Part 7 or 8 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.
5. For any vehicle on a renewing policy, if the result of step 3 is less than 98% of the Part 7 or 8 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..

G. For Part 9

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 9 base rate shown in that rule.
2. Apply the Comprehensive deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Comprehensive Symbol Factor, Model Year Factor, Customizing Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. For any vehicle on a renewing policy, if the result of step 3 exceeds ~~108%~~109% of the Part 9 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.
5. For any vehicle on a renewing policy, if the result of step 3 is less than 98% of the Part 9 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.

H. For Part 10

1. Apply the Substitute Transportation ILF to the Part 10 base rate.
2. Apply the Transfer Pricing Factor and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 10 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 10 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.

I. For Part 11

1. Apply the Towing and Labor ILF to the Part 11 base rate.
2. Apply the Transfer Pricing Factor and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 11 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 11 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.

J. For Part 12

1. Apply the Underinsured Motorist ILF to the Part 12 base rate.
2. Apply the Household Risk Factor, and all applicable Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 12 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 12 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.

K. Basic Coverage Capping

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The Basic Coverage Capping calculation is performed only when the following three conditions all apply:

- The insured has selected the Basic Coverage Package of 20/40 bodily injury liability (including guest and out-of-state coverage); \$8,000 personal injury protection, no deductible; \$5,000 property damage liability; and 20/40 uninsured motorist coverage for the vehicle being rated.
 - The insured qualifies for the Low Frequency Discount as described in the MAIP Rating Plan and Rules effective 10/1/2013.
 - The insured qualifies for the Continuous Coverage Discount as described in the MAIP Rating Plan and Rules effective 10/1/2013.
1. Calculate the sum of the premiums calculated for Parts 1-5 in steps A-D.
 2. Calculate the sum of Basic Limits 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 10/1/2013.
 3. Calculate a Basic Coverage Capping factor (BCF), which is equal to the premium calculated in step 2 divided by the premium calculated in step 1, or 1.00 – whichever is less.
 4. Multiply each of the individual premiums calculated in steps A-D for Parts 1+5, 2, 3 and 4 respectively by the BCF.

L. Premium Relief Factor

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When the sum of all premiums as calculated in paragraphs A-J, including any capping, is more than 9% greater than the premium applicable to the expiring policy term, a further adjustment factor (Premium Relief Factor) may apply. The Premium Relief Factor (PRF) is applicable to renewal terms only, is determined when each renewal policy is issued, and applies throughout the policy term. The factor will not change during the policy term as a result of changes to coverage or exposure. The PRF applies to all vehicles that are listed on the policy when it is issued and to any replacement vehicles. However, Premium Relief will not apply if either of the following two conditions is true when the renewal policy is issued:

- Any rated driver on the renewing policy is charged with a motor vehicle violation or violations having a surcharge date in the expiring policy term.
- There are one or more additional claims for coverage parts 1, 2, 4, 5, 6, 7 or 8 on which more than \$50 has been paid and which have a date of loss in the expiring policy term.

The PRF is calculated so as to reduce the increase in the sum of all premiums on the renewing policy to:

- 9%, plus
- 0.05 times the difference between 9% and the lesser of the full increase and 19%, plus
- 1.00 times the increase above 19% (if any).

M. Final Part 1 and Part 5 Premiums

1. Calculate the ratio of the Bodily Injury Liability ILF for 20/40 excluding guest and out-of-state coverage (Statutory Limit ILF) to the actual Bodily Injury Liability ILF used in step A.2.
2. The final Part 1 premium is equal to the ratio calculated in step 1 multiplied by the final results of section A, as modified by the calculation in section K, when applicable.
3. The final Part 5 premium is equal to the final Part 1 premium from the previous step subtracted from the final

results of section A, as modified by the calculation Basic Coverage Capping and/or Premium Relief Factor calculations in section K, when applicable.

Business Use Factor

The Business Use Factor used in the premium calculation for Parts 1/5, 2, 4, 7/8, and 9 is applied when the class associated with the vehicle is Class 30 (Rule 3.B)

Customizing Factor

Collision (Part 7), Limited Collision (Part 8), or Comprehensive (Part 9) coverage for custom furnishings or equipment is available for any private passenger automobile insured under the policy for these coverages. A Customizing Factor will apply based on the value specified for the customized equipment.

Motor Homes

Motor Homes are rated identically to other private passenger vehicles.

Trailers and Camper Bodies

Trailers and Camper Bodies may be insured for Collision (Part 7) or Limited Collision (Part 8), and/or Comprehensive (Part 9) only. The premium is based on the cost new or actual cash value, whichever is greater. The Collision premium is equal to \$0.80 per \$100 of value with waiver of deductible (\$0.78 per \$100 of value without waiver of deductible), the Limited Collision premium is equal to \$0.10 per \$100 of value, and the Comprehensive premium is equal to \$0.30 per \$100 of value with full glass coverage (\$0.28 per \$100 of value with \$100 glass deductible). These premiums may be further adjusted for the Group Marketing Credit.

Antique Vehicles (excluding Antique Motorcycles)

Apply the formulas described in sections A-J, and section L, with the following modifications:

1. Ignore any reference to Liability, Collision, Comprehensive Symbol, or Customizing Factors
2. Substitute "Antique Factor" for "Mileage Band Factor" wherever the latter appears
3. For section F use the base rate of \$1.20 per \$100 of actual cash value, and for section G use the base rate of \$0.40 per \$100 of actual cash value

Whole Dollar Premium

The premium for each exposure shall be rounded 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.

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 31 PREMIUM CALCULATION

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 all Standard Private Passenger Vehicles, Vans, and Similar Type Vehicles (including Customized vehicles and Stated Amount and Agreed Amount coverages). Refer to the Miscellaneous Motor Vehicle Rating page for Pick-Ups, Trailers, Motor Homes, Motorcycles, Antiques, and Antique Motorcycles (including vehicles described in Rule 6):

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 4i-k, 5i-k, 7i-k, and 8j-kj 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 10/1/2013.
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 8 to the Part 1 & 5 base rate shown in that rule.
 - b. Apply the Part 1 Rating Class/Territory relativity factor to the previous number.
 - c. Apply the MCF factor to the previous number.
 - d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
 - g. If the result of step f. is less than the Part 1 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
 - h. Apply the Age 65 or Older discount factor if appropriate
 - i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~107%~~109% 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.
 - j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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).
 - k. Apply the ~~modified cap~~premium relief factor if appropriate.
5. For Part 2
 - a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 2 base rate shown in that rule.
 - b. Apply the Part 2 Rating Class/Territory relativity factor to the previous number.
 - c. Apply a factor equal to MCF x [1 – PIP Deductible Factor] to the previous number.
 - d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, PIP Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.

- g. If the result of step f. is less than the Part 2 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~107%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the ~~modified cap~~premium relief factor if appropriate.

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 Transfer Pricing Factor and all appropriate Rule 32 discount factors to the previous number.

7. For Part 4

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 4 base rate shown in that rule.
- b. Apply the Part 4 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $[MCF + \text{Part 4 ILF} - 1]$ to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 4 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~107%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the ~~modified cap~~premium relief factor if appropriate.

8. For Part 5

- a. Apply a factor equal to $[MCF + \text{Part 5 ILF} - 1]$ to the Rule 8 Part 1 & 5 base rate as shown in that rule.
- b. Apply the Part 5 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $[\text{Part 5 ILF} - 1]$ to the Part 1 & 5 base rate as shown in that rule.
- d. Apply the Part 1 Rating Class/Territory relativity factor to the previous number.
- e. Apply the appropriate Tier Factor as determined in Rule 8 to the sum of the numbers calculated in steps b. and d.
- f. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 discount factors except the Age 65 or older discount factor to the previous number.
- g. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- h. If the result of step g. is less than the Part 5 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step g.
- i. Apply the Age 65 or Older discount factor if appropriate
- j. For any vehicle on a renewing policy, if the result of step i. exceeds ~~107%~~109% 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.
- k. For any vehicle on a renewing policy, if the result of step i. is less than 98% 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 $MCF < 1.0$).

- l. Apply the ~~modified cap~~premium relief factor if appropriate.

9. For Part 6

- a. Apply the appropriate Tier Factor as determined in Rule 8 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 32 discount factors to the previous number.

10. For Parts 7 – 8 – 9

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 7 or Part 9 base rate shown in that rule.
- b. Apply the Part 7, Part 8, or Part 9 Rating Class/Territory relativity factor to the previous number.
- c. Apply the appropriate Model Year/Symbol factor to the previous number.
- d. Apply the appropriate deductible factor from the Miscellaneous Rating Factors page, if applicable.
- e. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, and all Rule 32 discount factors except the Age 65 or Older discount factor to the previous number.
- f. For Parts 7 and 9 only, apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- g. If the result of step f. is less than the Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~107%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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.
- k. Apply the ~~modified cap~~premium relief factor if appropriate.

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 32 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 32 discount factors to the previous number.

13. For Part 12

- a. Apply the Transfer Pricing Factor and Part 12 ILF factor to the base rate shown in the Rate Pages section.
- b. Apply all appropriate Rule 32 discount factors to the previous number.

Whole Dollar Premium

The premium for each exposure shall be rounded 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.

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.

Exceptions:

- (1) The discount for insureds age 65 and older - refer to Rule 32.

Symbol Assignment and Rating

Apply appropriate symbol factor as determined from Model/Year Symbol factor pages for vehicles with symbols 1-26 and Rule 37.C for vehicles with symbol 27.

Premium Relief Factor

When the sum of all premiums as calculated in steps 4-13, including any capping, is more than 9% greater than the premium applicable to the expiring policy term, a further adjustment factor (Premium Relief Factor) may apply as indicated in steps 4k, 5k, 7k, 8l and 10k. The Premium Relief Factor (PRF) is applicable to renewal terms only, is determined when each renewal policy is issued, and applies throughout the policy term. The factor will not change during the policy term as a result of changes to coverage or exposure. The PRF applies to all vehicles that are listed on the policy when it is issued and to any replacement vehicles. However, Premium Relief will not apply if either of the following two conditions is true when the renewal policy is issued:

- Any rated driver on the renewing policy is charged with a motor vehicle violation or violations having a surcharge date in the expiring policy term.
- There are one or more additional claims for coverage parts 1, 2, 4, 5, 6, 7 or 8 on which more than \$50 has been paid and which have a date of loss in the expiring policy term.

The PRF is calculated so as to reduce the increase in the sum of all premiums on the renewing policy to:

- 9%, plus
- 0.05 times the difference between 9% and the lesser of the full increase and 19%, plus
- 1.00 times the increase above 19% (if any).

Modified Cap Factor

For renewal policies, an adjustment factor will be applied to policies meeting the following criteria:

- ~~The policy has been continuously insured with Plymouth Rock for the prior 84 months OR is part of a qualified Agency Transfer~~
- ~~The total Merit Rating Plan Operator points on rated drivers has not increased since the prior policy term~~
- ~~There is at least one driver on the policy with 49 years or more of driving experience~~
- ~~Annual mileage on no vehicle has increased by more than 20% over the prior term~~

Comparing the renewal premium before Modified Cap Factor to the expiring premium, this factor is determined as follows:

- ~~If the year-over-year premium change on the policy is less than 15%, no Modified Cap Factor is applied~~
- ~~If the year-over-year premium change on the policy is at least 15%, but less than 20%, a 0.95 Modified Cap Factor is applied~~
- ~~If the year-over-year premium change on the policy is at least 20%, a 0.90 Modified Cap Factor is applied~~

~~This adjustment will be applied after all other factors, including rate capping.~~

RULE 11 PREMIUM CALCULATION

The following steps shall be used in rating Private Passenger Vehicles, including without limitation, vehicles described in Rule 6.

A. For Parts 1 and 5

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 1 & 5 base rate shown in that rule.
2. Apply the Bodily Injury Liability ILF factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Liability Symbol Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 1 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds 109% of the combined Part 1 and 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% of the combined Part 1 and 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.

B. For Part 2

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 2 base rate shown in that rule.
2. Apply the PIP deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 2 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds 109% 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% 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.

C. For Part 3

1. Apply the Uninsured Motorist ILF to the Part 3 base rate.
2. Apply the Household Risk Factor, and all applicable Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 3 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 3 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.

D. For Part 4

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 4 base rate shown in that rule.
2. Apply the Property Damage Liability ILF factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Liability Symbol Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 4 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds 109% 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% 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.

E. For Part 6

1. Apply the Medical Payments ILF to the Part 6 base rate.
2. Apply the Developed Household Risk Factor, Mileage Band Factor, and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 6 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 6 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.

F. For Parts 7 and 8

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 7/Part 8 base rate shown in that rule.
2. Apply the Collision deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Collision Symbol Factor, Model Year Factor, Customizing Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. For any vehicle on a renewing policy, if the result of step 3 exceeds 109% of the Part 7 or 8 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.
5. For any vehicle on a renewing policy, if the result of step 3 is less than 98% of the Part 7 or 8 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..

G. For Part 9

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 9 base rate shown in that rule.
2. Apply the Comprehensive deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Comprehensive Symbol Factor, Model Year Factor, Customizing Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. For any vehicle on a renewing policy, if the result of step 3 exceeds 109% of the Part 9 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.
5. For any vehicle on a renewing policy, if the result of step 3 is less than 98% of the Part 9 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.

H. For Part 10

1. Apply the Substitute Transportation ILF to the Part 10 base rate.
2. Apply the Transfer Pricing Factor and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 10 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 10 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.

I. For Part 11

1. Apply the Towing and Labor ILF to the Part 11 base rate.
2. Apply the Transfer Pricing Factor and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 11 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 11 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.

J. For Part 12

1. Apply the Underinsured Motorist ILF to the Part 12 base rate.
2. Apply the Household Risk Factor, and all applicable Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 12 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 12 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.

Basic Coverage Capping

The Basic Coverage Capping calculation is performed only when the following three conditions all apply:

- The insured has selected the Basic Coverage Package of 20/40 bodily injury liability (including guest and out-of-state coverage); \$8,000 personal injury protection, no deductible; \$5,000 property damage liability; and 20/40 uninsured motorist coverage for the vehicle being rated.
 - The insured qualifies for the Low Frequency Discount as described in the MAIP Rating Plan and Rules effective 10/1/2013.
 - The insured qualifies for the Continuous Coverage Discount as described in the MAIP Rating Plan and Rules effective 10/1/2013.
1. Calculate the sum of the premiums calculated for Parts 1-5 in steps A-D.
 2. Calculate the sum of Basic Limits 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 10/1/2013.
 3. Calculate a Basic Coverage Capping factor (BCF), which is equal to the premium calculated in step 2 divided by the premium calculated in step 1, or 1.00 – whichever is less.
 4. Multiply each of the individual premiums calculated in steps A-D for Parts 1+5, 2, 3 and 4 respectively by the BCF.

Premium Relief Factor

When the sum of all premiums as calculated in paragraphs A-J, including any capping, is more than 9% greater than the premium applicable to the expiring policy term, a further adjustment factor (Premium Relief Factor) may apply. The Premium Relief Factor (PRF) is applicable to renewal terms only, is determined when each renewal policy is issued, and applies throughout the policy term. The factor will not change during the policy term as a result of changes to coverage or exposure. The PRF applies to all vehicles that are listed on the policy when it is issued and to any replacement vehicles. However, Premium Relief will not apply if either of the following two conditions is true when the renewal policy is issued:

- Any rated driver on the renewing policy is charged with a motor vehicle violation or violations having a surcharge date in the expiring policy term.
- There are one or more additional claims for coverage parts 1, 2, 4, 5, 6, 7 or 8 on which more than \$50 has been paid and which have a date of loss in the expiring policy term.

The PRF is calculated so as to reduce the increase in the sum of all premiums on the renewing policy to:

- 9%, plus
- 0.05 times the difference between 9% and the lesser of the full increase and 19%, plus
- 1.00 times the increase above 19% (if any).

Final Coverage Part 1 and Part 5 Premiums

1. Calculate the ratio of the Bodily Injury Liability ILF for 20/40 excluding guest and out-of-state coverage (Statutory Limit ILF) to the actual Bodily Injury Liability ILF used in step A.2.
2. The final Part 1 premium is equal to the ratio calculated in step 1 multiplied by the final results of section A, as modified by the calculation in section K, when applicable.
3. The final Part 5 premium is equal to the final Part 1 premium from the previous step subtracted from the final results of section A, as modified by the Basic Coverage Capping and/or Premium Relief Factor calculations, when applicable.

Business Use Factor

The Business Use Factor used in the premium calculation for Parts 1/5, 2, 4, 7/8, and 9 is applied when the class associated with the vehicle is Class 30 (Rule 3.B)

Customizing Factor

Collision (Part 7), Limited Collision (Part 8), or Comprehensive (Part 9) coverage for custom furnishings or equipment is available for any private passenger automobile insured under the policy for these coverages. A Customizing Factor will apply based on the value specified for the customized equipment.

Motor Homes

Motor Homes are rated identically to other private passenger vehicles.

Trailers and Camper Bodies

Trailers and Camper Bodies may be insured for Collision (Part 7) or Limited Collision (Part 8), and/or Comprehensive (Part 9) only. The premium is based on the cost new or actual cash value, whichever is greater. The Collision premium is equal to \$0.80 per \$100 of value with waiver of deductible (\$0.78 per \$100 of value without waiver of deductible), the Limited Collision premium is equal to \$0.10 per \$100 of value, and the Comprehensive premium is equal to \$0.30 per \$100 of value with full glass coverage (\$0.28 per \$100 of value with \$100 glass deductible). These premiums may be further adjusted for the Group Marketing Credit.

Antique Vehicles (excluding Antique Motorcycles)

Apply the formulas described in sections A-J, and section L, with the following modifications:

1. Ignore any reference to Liability, Collision, Comprehensive Symbol, or Customizing Factors
2. Substitute "Antique Factor" for "Mileage Band Factor" wherever the latter appears
3. For section F use the base rate of \$1.20 per \$100 of actual cash value, and for section G use the base rate of \$0.40 per \$100 of actual cash value

Whole Dollar Premium

The premium for each exposure shall be rounded 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.

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 31 PREMIUM CALCULATION

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 described in Rule 6):

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 4i-k, 5i-k, 7i-k, and 8j-kj 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 10/1/2013.

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 8 to the Part 1 & 5 base rate shown in that rule.
- b. Apply the Part 1 Rating Class/Territory relativity factor to the previous number.
- c. Apply the MCF factor to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 1 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds 109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the premium relief factor if appropriate.

5. For Part 2

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 2 base rate shown in that rule.
- b. Apply the Part 2 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $MCF \times [1 - \text{PIP Deductible Factor}]$ to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, PIP Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 2 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate

- i. For any vehicle on a renewing policy, if the result of step h. exceeds 109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the premium relief factor if appropriate.

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 Transfer Pricing Factor and all appropriate Rule 32 discount factors to the previous number.

7. For Part 4

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 4 base rate shown in that rule.
- b. Apply the Part 4 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $[MCF + \text{Part 4 ILF} - 1]$ to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 4 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds 109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the premium relief factor if appropriate.

8. For Part 5

- a. Apply a factor equal to $[MCF + \text{Part 5 ILF} - 1]$ to the Rule 8 Part 1 & 5 base rate as shown in that rule.
- b. Apply the Part 5 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $[\text{Part 5 ILF} - 1]$ to the Part 1 & 5 base rate as shown in that rule.
- d. Apply the Part 1 Rating Class/Territory relativity factor to the previous number.
- e. Apply the appropriate Tier Factor as determined in Rule 8 to the sum of the numbers calculated in steps b. and d.
- f. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 discount factors except the Age 65 or older discount factor to the previous number.
- g. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- h. If the result of step g. is less than the Part 5 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step g.
- i. Apply the Age 65 or Older discount factor if appropriate
- j. For any vehicle on a renewing policy, if the result of step i. exceeds 109% 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.
- k. For any vehicle on a renewing policy, if the result of step i. is less than 98% 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 $MCF < 1.0$).
- l. Apply the premium relief factor if appropriate.

9. For Part 6

- a. Apply the appropriate Tier Factor as determined in Rule 8 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 32 discount factors to the previous number.

10. For Parts 7 – 8 – 9

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 7 or Part 9 base rate shown in that rule.
- b. Apply the Part 7, Part 8, or Part 9 Rating Class/Territory relativity factor to the previous number.
- c. Apply the appropriate Model Year/Symbol factor to the previous number.
- d. Apply the appropriate deductible factor from the Miscellaneous Rating Factors page, if applicable.
- e. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, and all Rule 32 discount factors except the Age 65 or Older discount factor to the previous number.
- f. For Parts 7 and 9 only, apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- g. If the result of step f. is less than the Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds 109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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.
- k. Apply the premium relief factor if appropriate.

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 32 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 32 discount factors to the previous number.

13. For Part 12

- a. Apply the Transfer Pricing Factor and Part 12 ILF factor to the base rate shown in the Rate Pages section.
- b. Apply all appropriate Rule 32 discount factors to the previous number.

Whole Dollar Premium

The premium for each exposure shall be rounded 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.

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.

Exceptions:

- (1) The discount for insureds age 65 and older - refer to Rule 32.

Symbol Assignment and Rating

Apply appropriate symbol factor as determined from Model/Year Symbol factor pages for vehicles with symbols 1-26 and Rule 37.C for vehicles with symbol 27.

Premium Relief Factor

When the sum of all premiums as calculated in steps 4-13, including any capping, is more than 9% greater than the premium applicable to the expiring policy term, a further adjustment factor (Premium Relief Factor) may apply as indicated in steps 4k, 5k, 7k, 8l and 10k. The Premium Relief Factor (PRF) is applicable to renewal terms only, is determined when each renewal policy is issued, and applies throughout the policy term. The factor will not change during the policy term as a result of changes to coverage or exposure. The PRF applies to all vehicles that are listed on the policy when it is issued and to any replacement vehicles. However, Premium Relief will not apply if either of the following two conditions is true when the renewal policy is issued:

- Any rated driver on the renewing policy is charged with a motor vehicle violation or violations having a surcharge date in the expiring policy term.
- There are one or more additional claims for coverage parts 1, 2, 4, 5, 6, 7 or 8 on which more than \$50 has been paid and which have a date of loss in the expiring policy term.

The PRF is calculated so as to reduce the increase in the sum of all premiums on the renewing policy to:

- 9%, plus
- 0.05 times the difference between 9% and the lesser of the full increase and 19%, plus
- 1.00 times the increase above 19% (if any).

RULE 11 PREMIUM CALCULATION

The following steps shall be used in rating Private Passenger Vehicles, including without limitation, vehicles described in Rule 6.

A. For Parts 1 and 5

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 1 & 5 base rate shown in that rule.
2. Apply the Bodily Injury Liability ILF factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Liability Symbol Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 1 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds ~~408%~~109% of the combined Part 1 and 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% of the combined Part 1 and 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.

B. For Part 2

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 2 base rate shown in that rule.
2. Apply the PIP deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 2 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds ~~408%~~109% 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% 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.

C. For Part 3

1. Apply the Uninsured Motorist ILF to the Part 3 base rate.
2. Apply the Household Risk Factor, and all applicable Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 3 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 3 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.

D. For Part 4

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 4 base rate shown in that rule.
2. Apply the Property Damage Liability ILF factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Liability Symbol Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 4 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds ~~408%~~109% 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% 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.

E. For Part 6

1. Apply the Medical Payments ILF to the Part 6 base rate.
2. Apply the Developed Household Risk Factor, Mileage Band Factor, and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 6 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 6 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.

F. For Parts 7 and 8

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 7/Part 8 base rate shown in that rule.
2. Apply the Collision deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Collision Symbol Factor, Model Year Factor, Customizing Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. For any vehicle on a renewing policy, if the result of step 3 exceeds ~~408%~~109% of the Part 7 or 8 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.
5. For any vehicle on a renewing policy, if the result of step 3 is less than 98% of the Part 7 or 8 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..

G. For Part 9

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 9 base rate shown in that rule.
2. Apply the Comprehensive deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Comprehensive Symbol Factor, Model Year Factor, Customizing Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. For any vehicle on a renewing policy, if the result of step 3 exceeds ~~408%~~109% of the Part 9 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.
5. For any vehicle on a renewing policy, if the result of step 3 is less than 98% of the Part 9 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.

H. For Part 10

1. Apply the Substitute Transportation ILF to the Part 10 base rate.
2. Apply the Transfer Pricing Factor and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 10 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 10 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.

I. For Part 11

1. Apply the Towing and Labor ILF to the Part 11 base rate.
2. Apply the Transfer Pricing Factor and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 11 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 11 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.

J. For Part 12

1. Apply the Underinsured Motorist ILF to the Part 12 base rate.
2. Apply the Household Risk Factor, and all applicable Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 12 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 12 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.

Basic Coverage Capping

The Basic Coverage Capping calculation is performed only when the following three conditions all apply:

- The insured has selected the Basic Coverage Package of 20/40 bodily injury liability (including guest and out-of-state coverage); \$8,000 personal injury protection, no deductible; \$5,000 property damage liability; and 20/40 uninsured motorist coverage for the vehicle being rated.
 - The insured qualifies for the Low Frequency Discount as described in the MAIP Rating Plan and Rules effective 10/1/2013.
 - The insured qualifies for the Continuous Coverage Discount as described in the MAIP Rating Plan and Rules effective 10/1/2013.
1. Calculate the sum of the premiums calculated for Parts 1-5 in steps A-D.
 2. Calculate the sum of Basic Limits 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 10/1/2013.
 3. Calculate a Basic Coverage Capping factor (BCF), which is equal to the premium calculated in step 2 divided by the premium calculated in step 1, or 1.00 – whichever is less.
 4. Multiply each of the individual premiums calculated in steps A-D for Parts 1+5, 2, 3 and 4 respectively by the BCF.

Premium Relief Factor

When the sum of all premiums as calculated in paragraphs A-J, including any capping, is more than 9% greater than the premium applicable to the expiring policy term, a further adjustment factor (Premium Relief Factor) may apply. The Premium Relief Factor (PRF) is applicable to renewal terms only, is determined when each renewal policy is issued, and applies throughout the policy term. The factor will not change during the policy term as a result of changes to coverage or exposure. The PRF applies to all vehicles that are listed on the policy when it is issued and to any replacement vehicles. However, Premium Relief will not apply if either of the following two conditions is true when the renewal policy is issued:

- Any rated driver on the renewing policy is charged with a motor vehicle violation or violations having a surcharge date in the expiring policy term.
- There are one or more additional claims for coverage parts 1, 2, 4, 5, 6, 7 or 8 on which more than \$50 has been paid and which have a date of loss in the expiring policy term.

The PRF is calculated so as to reduce the increase in the sum of all premiums on the renewing policy to:

- 9%, plus
- 0.05 times the difference between 9% and the lesser of the full increase and 19%, plus
- 1.00 times the increase above 19% (if any).

~~M.~~ Final Coverage Part 1 and Part 5 Premiums

1. Calculate the ratio of the Bodily Injury Liability ILF for 20/40 excluding guest and out-of-state coverage (Statutory Limit ILF) to the actual Bodily Injury Liability ILF used in step A.2.
2. The final Part 1 premium is equal to the ratio calculated in step 1 multiplied by the final results of section A, as modified by the calculation in section K, when applicable.
3. The final Part 5 premium is equal to the final Part 1 premium from the previous step subtracted from the final

results of section A, as modified by the ~~calculation~~Basic Coverage Capping and/or Modified Cap Premium Relief Factor calculations in section K, when applicable.

Business Use Factor

The Business Use Factor used in the premium calculation for Parts 1/5, 2, 4, 7/8, and 9 is applied when the class associated with the vehicle is Class 30 (Rule 3.B)

Customizing Factor

Collision (Part 7), Limited Collision (Part 8), or Comprehensive (Part 9) coverage for custom furnishings or equipment is available for any private passenger automobile insured under the policy for these coverages. A Customizing Factor will apply based on the value specified for the customized equipment.

Motor Homes

Motor Homes are rated identically to other private passenger vehicles.

Trailers and Camper Bodies

Trailers and Camper Bodies may be insured for Collision (Part 7) or Limited Collision (Part 8), and/or Comprehensive (Part 9) only. The premium is based on the cost new or actual cash value, whichever is greater. The Collision premium is equal to \$0.80 per \$100 of value with waiver of deductible (\$0.78 per \$100 of value without waiver of deductible), the Limited Collision premium is equal to \$0.10 per \$100 of value, and the Comprehensive premium is equal to \$0.30 per \$100 of value with full glass coverage (\$0.28 per \$100 of value with \$100 glass deductible). These premiums may be further adjusted for the Group Marketing Credit.

Antique Vehicles (excluding Antique Motorcycles)

Apply the formulas described in sections A-J, and section L, with the following modifications:

1. Ignore any reference to Liability, Collision, Comprehensive Symbol, or Customizing Factors
2. Substitute "Antique Factor" for "Mileage Band Factor" wherever the latter appears
3. For section F use the base rate of \$1.20 per \$100 of actual cash value, and for section G use the base rate of \$0.40 per \$100 of actual cash value

Whole Dollar Premium

The premium for each exposure shall be rounded 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.

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 31 PREMIUM CALCULATION

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 described in Rule 6):

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 4i-k, 5i-k, 7i-k, and 8j-kj 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 10/1/2013.

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 8 to the Part 1 & 5 base rate shown in that rule.
- b. Apply the Part 1 Rating Class/Territory relativity factor to the previous number.
- c. Apply the MCF factor to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 1 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~407%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the ~~modified cap~~premium relief factor if appropriate.

5. For Part 2

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 2 base rate shown in that rule.
- b. Apply the Part 2 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $MCF \times [1 - \text{PIP Deductible Factor}]$ to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, PIP Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 2 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate

- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~107%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the ~~modified cap premium relief~~ factor if appropriate.

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 Transfer Pricing Factor and all appropriate Rule 32 discount factors to the previous number.

7. For Part 4

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 4 base rate shown in that rule.
- b. Apply the Part 4 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $[MCF + \text{Part 4 ILF} - 1]$ to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 4 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~107%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the ~~modified cap premium relief~~ factor if appropriate.

8. For Part 5

- a. Apply a factor equal to $[MCF + \text{Part 5 ILF} - 1]$ to the Rule 8 Part 1 & 5 base rate as shown in that rule.
- b. Apply the Part 5 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $[\text{Part 5 ILF} - 1]$ to the Part 1 & 5 base rate as shown in that rule.
- d. Apply the Part 1 Rating Class/Territory relativity factor to the previous number.
- e. Apply the appropriate Tier Factor as determined in Rule 8 to the sum of the numbers calculated in steps b. and d.
- f. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 discount factors except the Age 65 or older discount factor to the previous number.
- g. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- h. If the result of step g. is less than the Part 5 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step g.
- i. Apply the Age 65 or Older discount factor if appropriate
- j. For any vehicle on a renewing policy, if the result of step i. exceeds ~~107%~~109% 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.
- k. For any vehicle on a renewing policy, if the result of step i. is less than 98% 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 $MCF < 1.0$).
- l. Apply the ~~modified cap premium relief~~ factor if appropriate.

9. For Part 6

- a. Apply the appropriate Tier Factor as determined in Rule 8 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 32 discount factors to the previous number.

10. For Parts 7 – 8 – 9

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 7 or Part 9 base rate shown in that rule.
- b. Apply the Part 7, Part 8, or Part 9 Rating Class/Territory relativity factor to the previous number.
- c. Apply the appropriate Model Year/Symbol factor to the previous number.
- d. Apply the appropriate deductible factor from the Miscellaneous Rating Factors page, if applicable.
- e. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, and all Rule 32 discount factors except the Age 65 or Older discount factor to the previous number.
- f. For Parts 7 and 9 only, apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- g. If the result of step f. is less than the Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~107%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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.
- k. Apply the ~~modified cap~~premium relief factor if appropriate.

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 32 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 32 discount factors to the previous number.

13. For Part 12

- a. Apply the Transfer Pricing Factor and Part 12 ILF factor to the base rate shown in the Rate Pages section.
- b. Apply all appropriate Rule 32 discount factors to the previous number.

Whole Dollar Premium

The premium for each exposure shall be rounded 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.

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.

Exceptions:

- (1) The discount for insureds age 65 and older - refer to Rule 32.

Symbol Assignment and Rating

Apply appropriate symbol factor as determined from Model/Year Symbol factor pages for vehicles with symbols 1-26 and Rule 37.C for vehicles with symbol 27.

Premium Relief Factor

When the sum of all premiums as calculated in steps 4-13, including any capping, is more than 9% greater than the premium applicable to the expiring policy term, a further adjustment factor (Premium Relief Factor) may apply as indicated in steps 4k, 5k, 7k, 8l and 10k. The Premium Relief Factor (PRF) is applicable to renewal terms only, is determined when each renewal policy is issued, and applies throughout the policy term. The factor will not change during the policy term as a result of changes to coverage or exposure. The PRF applies to all vehicles that are listed on the policy when it is issued and to any replacement vehicles. However, Premium Relief will not apply if either of the following two conditions is true when the renewal policy is issued:

- Any rated driver on the renewing policy is charged with a motor vehicle violation or violations having a surcharge date in the expiring policy term.
- There are one or more additional claims for coverage parts 1, 2, 4, 5, 6, 7 or 8 on which more than \$50 has been paid and which have a date of loss in the expiring policy term.

The PRF is calculated so as to reduce the increase in the sum of all premiums on the renewing policy to:

- 9%, plus
- 0.05 times the difference between 9% and the lesser of the full increase and 19%, plus
- 1.00 times the increase above 19% (if any).

Modified Cap Factor

~~For renewal policies, an adjustment factor will be applied to policies meeting the following criteria:~~

- ~~— The policy has been continuously insured with Plymouth Rock for the prior 84 months OR is part of a qualified Agency Transfer~~
- ~~— The total Merit Rating Plan Operator points on rated drivers has not increased since the prior policy term~~
- ~~— There is at least one driver on the policy with 49 years or more of driving experience~~
- ~~— Annual mileage on no vehicle has increased by more than 20% over the prior term~~

~~Comparing the renewal premium before Modified Cap Factor to the expiring premium, this factor is determined as follows:~~

- ~~— If the year-over-year premium change on the policy is less than 15%, no Modified Cap Factor is applied~~
- ~~— If the year-over-year premium change on the policy is at least 15%, but less than 20%, a 0.95 Modified Cap Factor is applied~~
- ~~— If the year-over-year premium change on the policy is at least 20%, a 0.90 Modified Cap Factor is applied~~

~~This adjustment will be applied after all other factors, including rate capping.~~

RULE 11 PREMIUM CALCULATION

The following steps shall be used in rating Private Passenger Vehicles, including without limitation, vehicles described in Rule 6.

A. For Parts 1 and 5

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 1 & 5 base rate shown in that rule.
2. Apply the Bodily Injury Liability ILF factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Liability Symbol Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 1 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds ~~108%~~109% of the combined Part 1 and 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% of the combined Part 1 and 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.

B. For Part 2

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 2 base rate shown in that rule.
2. Apply the PIP deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 2 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds ~~108%~~109% 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% 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.

C. For Part 3

1. Apply the Uninsured Motorist ILF to the Part 3 base rate.
2. Apply the Household Risk Factor, and all applicable Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 3 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 3 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.

D. For Part 4

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 4 base rate shown in that rule.
2. Apply the Property Damage Liability ILF factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Liability Symbol Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 4 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds ~~108%~~109% 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% 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.

E. For Part 6

1. Apply the Medical Payments ILF to the Part 6 base rate.
2. Apply the Developed Household Risk Factor, Mileage Band Factor, and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 6 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 6 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.

F. For Parts 7 and 8

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 7/Part 8 base rate shown in that rule.
2. Apply the Collision deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Collision Symbol Factor, Model Year Factor, Customizing Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. For any vehicle on a renewing policy, if the result of step 3 exceeds ~~108%~~109% of the Part 7 or 8 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.
5. For any vehicle on a renewing policy, if the result of step 3 is less than 98% of the Part 7 or 8 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..

G. For Part 9

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 9 base rate shown in that rule.
2. Apply the Comprehensive deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Comprehensive Symbol Factor, Model Year Factor, Customizing Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. For any vehicle on a renewing policy, if the result of step 3 exceeds ~~108%~~109% of the Part 9 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.
5. For any vehicle on a renewing policy, if the result of step 3 is less than 98% of the Part 9 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.

H. For Part 10

1. Apply the Substitute Transportation ILF to the Part 10 base rate.
2. Apply the Transfer Pricing Factor and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 10 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 10 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.

I. For Part 11

1. Apply the Towing and Labor ILF to the Part 11 base rate.
2. Apply the Transfer Pricing Factor and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 11 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 11 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.

J. For Part 12

1. Apply the Underinsured Motorist ILF to the Part 12 base rate.
2. Apply the Household Risk Factor, and all applicable Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 12 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 12 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.

Basic Coverage Capping

The Basic Coverage Capping calculation is performed only when the following three conditions all apply:

- The insured has selected the Basic Coverage Package of 20/40 bodily injury liability (including guest and out-of-state coverage); \$8,000 personal injury protection, no deductible; \$5,000 property damage liability; and 20/40 uninsured motorist coverage for the vehicle being rated.
 - The insured qualifies for the Low Frequency Discount as described in the MAIP Rating Plan and Rules effective 10/1/2013.
 - The insured qualifies for the Continuous Coverage Discount as described in the MAIP Rating Plan and Rules effective 10/1/2013.
1. Calculate the sum of the premiums calculated for Parts 1-5 in steps A-D.
 2. Calculate the sum of Basic Limits 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 10/1/2013.
 3. Calculate a Basic Coverage Capping factor (BCF), which is equal to the premium calculated in step 2 divided by the premium calculated in step 1, or 1.00 – whichever is less.
 4. Multiply each of the individual premiums calculated in steps A-D for Parts 1+5, 2, 3 and 4 respectively by the BCF.

Modified Cap Factor

A uniform adjustment factor (Modified Cap Factor) will be applied to all premiums calculated in A-J whenever the following conditions apply:

- The policy is a renewal, and
- No rated driver on the renewing policy is charged with any motor vehicle violations having a surcharge date in the expiring policy term.
- There are no claims for coverage parts 1, 2, 4, 5, 6, 7 or 8 on which more than \$50 has been paid and which have a date of loss in the expiring policy term.
- The increase in the sum of all premiums on the renewing policy exceeds 9% of the premium applicable to the expiring policy

The Modified Cap Factor is determined when a renewal policy is issued and applies to all vehicles rated using this rule that are listed on the policy at that time and to any replacement vehicles throughout the policy term. It will not change during the policy term as a result of changes to coverage or exposure. The factor is calculated so as to reduce the increase in the sum of all premiums on the renewing policy to:

- 9%, plus
- 0.05 times the difference between 9% and the lesser of the full increase and 19%, plus
- 1.00 times the increase above 19% (if any).

M. Final Coverage Part 1 and Part 5 Premiums

1. Calculate the ratio of the Bodily Injury Liability ILF for 20/40 excluding guest and out-of-state coverage (Statutory Limit ILF) to the actual Bodily Injury Liability ILF used in step A.2.
2. The final Part 1 premium is equal to the ratio calculated in step 1 multiplied by the final results of section A, as modified by the calculation in section K, when applicable.
3. The final Part 5 premium is equal to the final Part 1 premium from the previous step subtracted from the final results of section A, as modified by the calculation Basic Coverage Capping and/or Modified Cap Factor

~~calculations in section K~~, when applicable.

Business Use Factor

The Business Use Factor used in the premium calculation for Parts 1/5, 2, 4, 7/8, and 9 is applied when the class associated with the vehicle is Class 30 (Rule 3.B)

Customizing Factor

Collision (Part 7), Limited Collision (Part 8), or Comprehensive (Part 9) coverage for custom furnishings or equipment is available for any private passenger automobile insured under the policy for these coverages. A Customizing Factor will apply based on the value specified for the customized equipment.

Motor Homes

Motor Homes are rated identically to other private passenger vehicles.

Trailers and Camper Bodies

Trailers and Camper Bodies may be insured for Collision (Part 7) or Limited Collision (Part 8), and/or Comprehensive (Part 9) only. The premium is based on the cost new or actual cash value, whichever is greater. The Collision premium is equal to \$0.80 per \$100 of value with waiver of deductible (\$0.78 per \$100 of value without waiver of deductible), the Limited Collision premium is equal to \$0.10 per \$100 of value, and the Comprehensive premium is equal to \$0.30 per \$100 of value with full glass coverage (\$0.28 per \$100 of value with \$100 glass deductible). These premiums may be further adjusted for the Group Marketing Credit.

Antique Vehicles (excluding Antique Motorcycles)

Apply the formulas described in sections A-J, and section L, with the following modifications:

1. Ignore any reference to Liability, Collision, Comprehensive Symbol, or Customizing Factors
2. Substitute "Antique Factor" for "Mileage Band Factor" wherever the latter appears
3. For section F use the base rate of \$1.20 per \$100 of actual cash value, and for section G use the base rate of \$0.40 per \$100 of actual cash value

Whole Dollar Premium

The premium for each exposure shall be rounded 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.

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 31 PREMIUM CALCULATION

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 described in Rule 6):

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 4i-k, 5i-k, 7i-k, and 8j-kj 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 10/1/2013.

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 8 to the Part 1 & 5 base rate shown in that rule.
- b. Apply the Part 1 Rating Class/Territory relativity factor to the previous number.
- c. Apply the MCF factor to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 1 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~107%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the modified cap factor if appropriate.

5. For Part 2

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 2 base rate shown in that rule.
- b. Apply the Part 2 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $MCF \times [1 - \text{PIP Deductible Factor}]$ to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, PIP Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 2 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.

- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~407%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the modified cap factor if appropriate.

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 Transfer Pricing Factor and all appropriate Rule 32 discount factors to the previous number.

7. For Part 4

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 4 base rate shown in that rule.
- b. Apply the Part 4 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $[MCF + \text{Part 4 ILF} - 1]$ to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 4 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~407%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the modified cap factor if appropriate.

8. For Part 5

- a. Apply a factor equal to $[MCF + \text{Part 5 ILF} - 1]$ to the Rule 8 Part 1 & 5 base rate as shown in that rule.
- b. Apply the Part 5 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $[\text{Part 5 ILF} - 1]$ to the Part 1 & 5 base rate as shown in that rule.
- d. Apply the Part 1 Rating Class/Territory relativity factor to the previous number.
- e. Apply the appropriate Tier Factor as determined in Rule 8 to the sum of the numbers calculated in steps b. and d.
- f. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 discount factors except the Age 65 or older discount factor to the previous number.
- g. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- h. If the result of step g. is less than the Part 5 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step g.
- i. Apply the Age 65 or Older discount factor if appropriate
- j. For any vehicle on a renewing policy, if the result of step i. exceeds ~~407%~~109% 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.
- k. For any vehicle on a renewing policy, if the result of step i. is less than 98% 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 $MCF < 1.0$).
- l. Apply the modified cap factor if appropriate.

9. For Part 6

- a. Apply the appropriate Tier Factor as determined in Rule 8 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 32 discount factors to the previous number.

10. For Parts 7 – 8 – 9

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 7 or Part 9 base rate shown in that rule.
- b. Apply the Part 7, Part 8, or Part 9 Rating Class/Territory relativity factor to the previous number.
- c. Apply the appropriate Model Year/Symbol factor to the previous number.
- d. Apply the appropriate deductible factor from the Miscellaneous Rating Factors page, if applicable.
- e. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, and all Rule 32 discount factors except the Age 65 or Older discount factor to the previous number.
- f. For Parts 7 and 9 only, apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- g. If the result of step f. is less than the Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~107%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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.
- k. Apply the modified cap factor if appropriate.

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 32 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 32 discount factors to the previous number.

13. For Part 12

- a. Apply the Transfer Pricing Factor and Part 12 ILF factor to the base rate shown in the Rate Pages section.
- b. Apply all appropriate Rule 32 discount factors to the previous number.

Whole Dollar Premium

The premium for each exposure shall be rounded 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.

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.

Exceptions:

- (1) The discount for insureds age 65 and older - refer to Rule 32.

Symbol Assignment and Rating

Apply appropriate symbol factor as determined from Model/Year Symbol factor pages for vehicles with symbols 1-26 and Rule 37.C for vehicles with symbol 27.

Modified Cap Factor

A uniform adjustment factor (Modified Cap Factor) will be applied as described in calculations 4k, 5k, 7k, 8l and 10k, whenever the following conditions apply:

- The policy is a renewal, and
- No rated driver on the renewing policy is charged with any motor vehicle violations having a surcharge date in the expiring policy term.
- There are no claims for coverage parts 1, 2, 4, 5, 6, 7 or 8 on which more than \$50 has been paid and which have a date of loss in the expiring policy term.
- The increase in the sum of all premiums on the renewing policy exceeds 9% of the premium applicable to the expiring policy

~~For renewal policies, an adjustment factor will be applied to policies meeting the following criteria:~~

- ~~• The policy has been continuously insured with Plymouth Rock for the prior 84 months OR is part of a qualified Agency Transfer~~
- ~~• The total Merit Rating Plan Operator points on rated drivers has not increased since the prior policy term~~
- ~~• There is at least one driver on the policy with 49 years or more of driving experience~~
- ~~• Annual mileage on no vehicle has increased by more than 20% over the prior term~~

The Modified Cap Factor is determined when a renewal policy is issued and applies to all vehicles rated using this rule that are listed on the policy at that time and to any replacement vehicles throughout the policy term. It will not change during the policy term as a result of changes to coverage or exposure. The factor is calculated so as to reduce the increase in the sum of all premiums on the renewing policy to:

- 9%, plus
- 0.05 times the difference between 9% and the lesser of the full increase and 19%, plus
- 1.00 times the increase above 19% (if any).

~~Comparing the renewal premium before Modified Cap Factor to the expiring premium, this factor is determined as follows:~~

- ~~• If the year-over-year premium change on the policy is less than 15%, no Modified Cap Factor is applied~~
- ~~• If the year-over-year premium change on the policy is at least 15%, but less than 20%, a 0.95 Modified Cap Factor is applied~~
- ~~• If the year-over-year premium change on the policy is at least 20%, a 0.90 Modified Cap Factor is applied~~

~~This adjustment will be applied after all other factors, including rate capping.~~

RULE 11 PREMIUM CALCULATION

The following steps shall be used in rating Private Passenger Vehicles, including without limitation, vehicles described in Rule 6.

A. For Parts 1 and 5

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 1 & 5 base rate shown in that rule.
2. Apply the Bodily Injury Liability ILF factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Liability Symbol Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 1 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds 109% of the combined Part 1 and 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% of the combined Part 1 and 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.

B. For Part 2

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 2 base rate shown in that rule.
2. Apply the PIP deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 2 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds 109% 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% 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.

C. For Part 3

1. Apply the Uninsured Motorist ILF to the Part 3 base rate.
2. Apply the Household Risk Factor, and all applicable Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 3 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 3 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.

D. For Part 4

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 4 base rate shown in that rule.
2. Apply the Property Damage Liability ILF factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Liability Symbol Factor, Model Year Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. Add the Part 4 Residual Market Load to the previous number.
5. For any vehicle on a renewing policy, if the result of step 4 exceeds 109% 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.
6. For any vehicle on a renewing policy, if the result of step 4 is less than 98% 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.

E. For Part 6

1. Apply the Medical Payments ILF to the Part 6 base rate.
2. Apply the Developed Household Risk Factor, Mileage Band Factor, and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 6 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 6 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.

F. For Parts 7 and 8

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 7/Part 8 base rate shown in that rule.
2. Apply the Collision deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Collision Symbol Factor, Model Year Factor, Customizing Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. For any vehicle on a renewing policy, if the result of step 3 exceeds 109% of the Part 7 or 8 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.
5. For any vehicle on a renewing policy, if the result of step 3 is less than 98% of the Part 7 or 8 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..

G. For Part 9

1. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 9 base rate shown in that rule.
2. Apply the Comprehensive deductible factor to the previous number.
3. Apply the Developed Household Risk Factor, Market Type Factor, Household Structure Factor, Business Use Factor, Territory Factor, Comprehensive Symbol Factor, Model Year Factor, Customizing Factor, Mileage Band Factor, and all applicable Rule 12 discount factors to the previous number.
4. For any vehicle on a renewing policy, if the result of step 3 exceeds 109% of the Part 9 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.
5. For any vehicle on a renewing policy, if the result of step 3 is less than 98% of the Part 9 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.

H. For Part 10

1. Apply the Substitute Transportation ILF to the Part 10 base rate.
2. Apply the Transfer Pricing Factor and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 10 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 10 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.

I. For Part 11

1. Apply the Towing and Labor ILF to the Part 11 base rate.
2. Apply the Transfer Pricing Factor and all appropriate Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 11 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 11 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.

J. For Part 12

1. Apply the Underinsured Motorist ILF to the Part 12 base rate.
2. Apply the Household Risk Factor, and all applicable Rule 12 discount factors to the previous number.
3. For any vehicle on a renewing policy, if the result of step 2 exceeds 109% of the Part 12 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.
4. For any vehicle on a renewing policy, if the result of step 2 is less than 98% of the Part 12 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.

Basic Coverage Capping

The Basic Coverage Capping calculation is performed only when the following three conditions all apply:

- The insured has selected the Basic Coverage Package of 20/40 bodily injury liability (including guest and out-of-state coverage); \$8,000 personal injury protection, no deductible; \$5,000 property damage liability; and 20/40 uninsured motorist coverage for the vehicle being rated.
 - The insured qualifies for the Low Frequency Discount as described in the MAIP Rating Plan and Rules effective 10/1/2013.
 - The insured qualifies for the Continuous Coverage Discount as described in the MAIP Rating Plan and Rules effective 10/1/2013.
1. Calculate the sum of the premiums calculated for Parts 1-5 in steps A-D.
 2. Calculate the sum of Basic Limits 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 10/1/2013.
 3. Calculate a Basic Coverage Capping factor (BCF), which is equal to the premium calculated in step 2 divided by the premium calculated in step 1, or 1.00 – whichever is less.
 4. Multiply each of the individual premiums calculated in steps A-D for Parts 1+5, 2, 3 and 4 respectively by the BCF.

Modified Cap Factor

A uniform adjustment factor (Modified Cap Factor) will be applied to all premiums calculated in A-J whenever the following conditions apply:

- The policy is a renewal, and
- No rated driver on the renewing policy is charged with any motor vehicle violations having a surcharge date in the expiring policy term.
- There are no claims for coverage parts 1, 2, 4, 5, 6, 7 or 8 on which more than \$50 has been paid and which have a date of loss in the expiring policy term.
- The increase in the sum of all premiums on the renewing policy exceeds 9% of the premium applicable to the expiring policy

The Modified Cap Factor is determined when a renewal policy is issued and applies to all vehicles rated using this rule that are listed on the policy at that time and to any replacement vehicles throughout the policy term. It will not change during the policy term as a result of changes to coverage or exposure. The factor is calculated so as to reduce the increase in the sum of all premiums on the renewing policy to:

- 9%, plus
- 0.05 times the difference between 9% and the lesser of the full increase and 19%, plus
- 1.00 times the increase above 19% (if any).

Final Coverage Part 1 and Part 5 Premiums

1. Calculate the ratio of the Bodily Injury Liability ILF for 20/40 excluding guest and out-of-state coverage (Statutory Limit ILF) to the actual Bodily Injury Liability ILF used in step A.2.
2. The final Part 1 premium is equal to the ratio calculated in step 1 multiplied by the final results of section A, as modified by the calculation in section K, when applicable.
3. The final Part 5 premium is equal to the final Part 1 premium from the previous step subtracted from the final results of section A, as modified by the Basic Coverage Capping and/or Modified Cap Factor calculations, when applicable.

Business Use Factor

The Business Use Factor used in the premium calculation for Parts 1/5, 2, 4, 7/8, and 9 is applied when the class associated with the vehicle is Class 30 (Rule 3.B)

Customizing Factor

Collision (Part 7), Limited Collision (Part 8), or Comprehensive (Part 9) coverage for custom furnishings or equipment is available for any private passenger automobile insured under the policy for these coverages. A Customizing Factor will apply based on the value specified for the customized equipment.

Motor Homes

Motor Homes are rated identically to other private passenger vehicles.

Trailers and Camper Bodies

Trailers and Camper Bodies may be insured for Collision (Part 7) or Limited Collision (Part 8), and/or Comprehensive (Part 9) only. The premium is based on the cost new or actual cash value, whichever is greater. The Collision premium is equal to \$0.80 per \$100 of value with waiver of deductible (\$0.78 per \$100 of value without waiver of deductible), the Limited Collision premium is equal to \$0.10 per \$100 of value, and the Comprehensive premium is equal to \$0.30 per \$100 of value with full glass coverage (\$0.28 per \$100 of value with \$100 glass deductible). These premiums may be further adjusted for the Group Marketing Credit.

Antique Vehicles (excluding Antique Motorcycles)

Apply the formulas described in sections A-J, and section L, with the following modifications:

1. Ignore any reference to Liability, Collision, Comprehensive Symbol, or Customizing Factors
2. Substitute "Antique Factor" for "Mileage Band Factor" wherever the latter appears
3. For section F use the base rate of \$1.20 per \$100 of actual cash value, and for section G use the base rate of \$0.40 per \$100 of actual cash value

Whole Dollar Premium

The premium for each exposure shall be rounded 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.

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 31 PREMIUM CALCULATION

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 described in Rule 6):

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 4i-k, 5i-k, 7i-k, and 8j-kj 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 10/1/2013.

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 8 to the Part 1 & 5 base rate shown in that rule.
- b. Apply the Part 1 Rating Class/Territory relativity factor to the previous number.
- c. Apply the MCF factor to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 1 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds 109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the modified cap factor if appropriate.

5. For Part 2

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 2 base rate shown in that rule.
- b. Apply the Part 2 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $MCF \times [1 - \text{PIP Deductible Factor}]$ to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, PIP Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 2 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.

- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds 109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the modified cap factor if appropriate.

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 Transfer Pricing Factor and all appropriate Rule 32 discount factors to the previous number.

7. For Part 4

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 4 base rate shown in that rule.
- b. Apply the Part 4 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $[MCF + \text{Part 4 ILF} - 1]$ to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 4 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds 109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the modified cap factor if appropriate.

8. For Part 5

- a. Apply a factor equal to $[MCF + \text{Part 5 ILF} - 1]$ to the Rule 8 Part 1 & 5 base rate as shown in that rule.
- b. Apply the Part 5 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $[\text{Part 5 ILF} - 1]$ to the Part 1 & 5 base rate as shown in that rule.
- d. Apply the Part 1 Rating Class/Territory relativity factor to the previous number.
- e. Apply the appropriate Tier Factor as determined in Rule 8 to the sum of the numbers calculated in steps b. and d.
- f. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 discount factors except the Age 65 or older discount factor to the previous number.
- g. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- h. If the result of step g. is less than the Part 5 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step g.
- i. Apply the Age 65 or Older discount factor if appropriate
- j. For any vehicle on a renewing policy, if the result of step i. exceeds 109% 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.
- k. For any vehicle on a renewing policy, if the result of step i. is less than 98% 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 $MCF < 1.0$).
- l. Apply the modified cap factor if appropriate.

9. For Part 6

- a. Apply the appropriate Tier Factor as determined in Rule 8 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 32 discount factors to the previous number.

10. For Parts 7 – 8 – 9

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 7 or Part 9 base rate shown in that rule.
- b. Apply the Part 7, Part 8, or Part 9 Rating Class/Territory relativity factor to the previous number.
- c. Apply the appropriate Model Year/Symbol factor to the previous number.
- d. Apply the appropriate deductible factor from the Miscellaneous Rating Factors page, if applicable.
- e. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, and all Rule 32 discount factors except the Age 65 or Older discount factor to the previous number.
- f. For Parts 7 and 9 only, apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- g. If the result of step f. is less than the Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds 109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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.
- k. Apply the modified cap factor if appropriate.

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 32 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 32 discount factors to the previous number.

13. For Part 12

- a. Apply the Transfer Pricing Factor and Part 12 ILF factor to the base rate shown in the Rate Pages section.
- b. Apply all appropriate Rule 32 discount factors to the previous number.

Whole Dollar Premium

The premium for each exposure shall be rounded 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.

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.

Exceptions:

- (1) The discount for insureds age 65 and older - refer to Rule 32.

Symbol Assignment and Rating

Apply appropriate symbol factor as determined from Model/Year Symbol factor pages for vehicles with symbols 1-26 and Rule 37.C for vehicles with symbol 27.

Modified Cap Factor

A uniform adjustment factor (Modified Cap Factor) will be applied as described in calculations 4k, 5k, 7k, 8l and 10k, whenever the following conditions apply:

- The policy is a renewal, and
- No rated driver on the renewing policy is charged with any motor vehicle violations having a surcharge date in the expiring policy term.
- There are no claims for coverage parts 1, 2, 4, 5, 6, 7 or 8 on which more than \$50 has been paid and which have a date of loss in the expiring policy term.
- The increase in the sum of all premiums on the renewing policy exceeds 9% of the premium applicable to the expiring policy

The Modified Cap Factor is determined when a renewal policy is issued and applies to all vehicles rated using this rule that are listed on the policy at that time and to any replacement vehicles throughout the policy term. It will not change during the policy term as a result of changes to coverage or exposure. The factor is calculated so as to reduce the increase in the sum of all premiums on the renewing policy to:

- 9%, plus
- 0.05 times the difference between 9% and the lesser of the full increase and 19%, plus
- 1.00 times the increase above 19% (if any).

RULE 31 PREMIUM CALCULATION

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 described in Rule 6):

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 4i-k, 5i-k, 7i-k, and 8j-kj 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 10/1/2013.

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 8 to the Part 1 & 5 base rate shown in that rule.
- b. Apply the Part 1 Rating Class/Territory relativity factor to the previous number.
- c. Apply the MCF factor to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 1 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~108%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the modified cap factor if appropriate.

5. For Part 2

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 2 base rate shown in that rule.
- b. Apply the Part 2 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $MCF \times [1 - \text{PIP Deductible Factor}]$ to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, PIP Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 2 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.

- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~108%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the modified cap factor if appropriate.

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 Transfer Pricing Factor and all appropriate Rule 32 discount factors to the previous number.

7. For Part 4

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 4 base rate shown in that rule.
- b. Apply the Part 4 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $[MCF + \text{Part 4 ILF} - 1]$ to the previous number.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 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. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- g. If the result of step f. is less than the Part 4 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~108%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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 $MCF < 1.0$).
- k. Apply the modified cap factor if appropriate.

8. For Part 5

- a. Apply a factor equal to $[MCF + \text{Part 5 ILF} - 1]$ to the Rule 8 Part 1 & 5 base rate as shown in that rule.
- b. Apply the Part 5 Rating Class/Territory relativity factor to the previous number.
- c. Apply a factor equal to $[\text{Part 5 ILF} - 1]$ to the Part 1 & 5 base rate as shown in that rule.
- d. Apply the Part 1 Rating Class/Territory relativity factor to the previous number.
- e. Apply the appropriate Tier Factor as determined in Rule 8 to the sum of the numbers calculated in steps b. and d.
- f. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 32 discount factors except the Age 65 or older discount factor to the previous number.
- g. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- h. If the result of step g. is less than the Part 5 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step g.
- i. Apply the Age 65 or Older discount factor if appropriate
- j. For any vehicle on a renewing policy, if the result of step i. exceeds ~~108%~~109% 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.
- k. For any vehicle on a renewing policy, if the result of step i. is less than 98% 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 $MCF < 1.0$).
- l. Apply the modified cap factor if appropriate.

9. For Part 6

- a. Apply the appropriate Tier Factor as determined in Rule 8 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 32 discount factors to the previous number.

10. For Parts 7 – 8 – 9

- a. Apply the appropriate Tier Factor as determined in Rule 8 to the Part 7 or Part 9 base rate shown in that rule.
- b. Apply the Part 7, Part 8, or Part 9 Rating Class/Territory relativity factor to the previous number.
- c. Apply the appropriate Model Year/Symbol factor to the previous number.
- d. Apply the appropriate deductible factor from the Miscellaneous Rating Factors page, if applicable.
- e. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, and all Rule 32 discount factors except the Age 65 or Older discount factor to the previous number.
- f. For Parts 7 and 9 only, apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- g. If the result of step f. is less than the Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step f.
- h. Apply the Age 65 or Older discount factor if appropriate
- i. For any vehicle on a renewing policy, if the result of step h. exceeds ~~108%~~109% 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.
- j. For any vehicle on a renewing policy, if the result of step h. is less than 98% 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.
- k. Apply the modified cap factor if appropriate.

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 32 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 32 discount factors to the previous number.

13. For Part 12

- a. Apply the Transfer Pricing Factor and Part 12 ILF factor to the base rate shown in the Rate Pages section.
- b. Apply all appropriate Rule 32 discount factors to the previous number.

Whole Dollar Premium

The premium for each exposure shall be rounded 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.

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.

Exceptions:

- (1) The discount for insureds age 65 and older - refer to Rule 32.

Symbol Assignment and Rating

Apply appropriate symbol factor as determined from Model/Year Symbol factor pages for vehicles with symbols 1-26 and Rule 37.C for vehicles with symbol 27.

Modified Cap Factor

A uniform adjustment factor (Modified Cap Factor) will be applied as described in calculations 4k, 5k, 7k, 8l and 10k, whenever the following conditions apply:

- The policy is a renewal, and
- No rated driver on the renewing policy is charged with any motor vehicle violations having a surcharge date in the expiring policy term.
- There are no claims for coverage parts 1, 2, 4, 5, 6, 7 or 8 on which more than \$50 has been paid and which have a date of loss in the expiring policy term.
- The increase in the sum of all premiums on the renewing policy exceeds 9% of the premium applicable to the expiring policy

~~For renewal policies, an adjustment factor will be applied to policies meeting the following criteria:~~

- ~~• The policy has been continuously insured with Plymouth Rock for the prior 84 months OR is part of a qualified Agency Transfer~~
- ~~• The total Merit Rating Plan Operator points on rated drivers has not increased since the prior policy term~~
- ~~• There is at least one driver on the policy with 49 years or more of driving experience~~
- ~~• Annual mileage on no vehicle has increased by more than 20% over the prior term~~

The Modified Cap Factor is determined when a renewal policy is issued and applies to all vehicles rated using this rule that are listed on the policy at that time and to any replacement vehicles throughout the policy term. It will not change during the policy term as a result of changes to coverage or exposure. The factor is calculated so as to reduce the increase in the sum of all premiums on the renewing policy to:

- 9%, plus
- 0.05 times the difference between 9% and the lesser of the full increase and 19%, plus
- 1.00 times the increase above 19% (if any).

~~Comparing the renewal premium before Modified Cap Factor to the expiring premium, this factor is determined as follows:~~

- ~~• If the year-over-year premium change on the policy is less than 15%, no Modified Cap Factor is applied~~
- ~~• If the year-over-year premium change on the policy is at least 15%, but less than 20%, a 0.95 Modified Cap Factor is applied~~
- ~~• If the year-over-year premium change on the policy is at least 20%, a 0.90 Modified Cap Factor is applied~~

~~This adjustment will be applied after all other factors, including rate capping.~~