

**Preferred Mutual Insurance Company  
Private Passenger Automobile Manual - Massachusetts**

If an operator's MVR is not electronically available, the policy experience period for the operator will begin as of the effective date of the policy until the insurer receives the operator's actual merit rating information. The operator may obtain an official driving record or a record from a previous insurer and submit it to the new insurer. If the driving record is not in English, a translation certified as true and correct by the translator must be obtained by the operator and attached to the driving record submitted to the insurer. An acceptable driving record must have three or more years driving history, unless the operator has been licensed less than three years. If there are no motor vehicle violations or at-fault accidents shown on the operator's record, the company must submit a policy inquiry to the Merit Rating Board in compliance with its Administrative Procedures. An operator's record with motor vehicle violations or at-fault accidents must be submitted to the Merit Rating Board. The Merit Rating Board will determine the operator's merit rating information.

**Classification of Points By Driving Infraction**

Points are assigned as follows:

Minor traffic law violation	2 points	Major at-fault accident	4 points
Minor at-fault accident	3 points	Major traffic law violation	5 points

An "at-fault" accident is one in which the company determines that the involved operator is more than 50% at fault.

For accidents occurring prior to July 1, 2015, an at-fault accident is defined as minor only if it resulted in a claim payment for bodily injury liability, damage to someone else's property, collision or limited collision of at least \$500 and up to \$2,000. An at-fault accident is defined as major only if it resulted in a claim payment of more than \$2,000.

For accidents occurring on or after July 1, 2015, an at-fault accident is defined as minor only if it resulted in a claim payment for bodily injury liability, damage to someone else's property, collision or limited collision of more than \$1,000 and up to \$5,000. An at-fault accident is defined as major only if it resulted in a claim payment of more than \$5,000.

An operator's total number of points is based on the number of years since the last at fault accident or traffic violation. If the most recent at fault accident or traffic violation occurred less than three years prior to the policy effective date, the total number of points is equal to the sum of the above point values for each driving infraction in the policy experience period. If the most recent at fault accident or traffic violation occurred more than three years prior to the policy effective date, and the number of driving infractions during the policy experience period is three or less, the total number of points is equal to the sum of the above point values for each driving infraction minus the number of driving infractions in the policy experience period. In no event shall the points for any at fault accident or traffic violation be reduced below zero.

Points are not assigned to a non-criminal minor motor vehicle traffic law violation if it is the first such violation.

**Calculation of the Merit Rate Adjustment**

The merit rate adjustment is applied to Compulsory Bodily Injury (Part 1), PIP (Part 2), Property Damage (Part 4) and Collision (Part 7).

The merit rate adjustment is the last step in the rating process after all discounts and rating factors have been applied to the rate.

	<u>Experienced Operators</u>	<u>Inexperienced Operators</u>
	<u>Merit Rate Adj.</u>	<u>Merit Rate Adj.</u>
Excellent Driver Discount Plus (6 Years Incident-Free)	<u>-17.0%</u>	
Excellent Driver Discount (5 Years Incident-Free)	<u>-7.0%</u>	<u>-7.0%</u>
	<u>Point Factor</u>	<u>Point Factor</u>
Number of Points X	+18.0%	+9.0%

(Multiply number of points times the rate adjustment shown)

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~~A claim payment for bodily injury liability, damage to someone else's property, collision or limited collision of at least \$500 and up to \$2,000 constitutes a minor at fault accident. A claim payment of more than \$2,000 constitutes a major at fault accident. An "at fault" accident is one in which the insurer determines that the involved operator is more than 50% at fault.~~

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PM-MA-PA-Exception

07/01/2015