

**Progressive Casualty Insurance Company
MA- Private Passenger Automobile**

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B02-Installment Fee

For policies on installment plans, a fee will be charged on all payments after the new business down payment, including the renewal down payment. Installment fees are charged in addition to premium. Fees vary by the type of payment plan (non-EFT "paper" and EFT).

	Type of Payment	
Prior Insurance	Other than EFT	EFT
C	\$8	\$4
A or B	\$5	\$1

B03-NSF Fee

The fee for a payment not honored by the payer's financial institution for any reason (including without limitation checks that are refused for non-sufficient funds, checks on which payment has been stopped, and attempted electronic funds collections that are refused by the financial institution) is \$25.

B04-Late Fee Charges

A fee of \$25 will be charged for any late installment payments.

B05-Renewal Payments

If the renewal payment is postmarked (mailed payments) or transacted (phone or internet payments) on or before the later of the renewal payment due date or the renewal effective date, the renewal term will be put in force with no lapse in coverage.

The company will send renewal notices 24 days in advance of the renewal date.

B80-Cancel Methodology

A. Cancellations

The following provisions apply when a policy is cancelled:

1. If a policy is cancelled by the company or by the insured at any time the return premium shall be computed pro-rata subject to rule (P10).

2. Theft of Vehicle or Plates

- A. If the insured automobile is stolen or destroyed (total or constructive total loss) and cancellation is requested by the insured within thirty days following the date the automobile is stolen or destroyed, the return premium for all coverages (including the premium for the coverages under which loss was paid) shall be calculated on a pro rata basis from the day following the date of such loss.
- B. If the insured registration plates are stolen or destroyed, a lost plate affidavit is to be issued to the Registry of Motor Vehicles cancelling only coverage with respect to such plates effective the day following the date of such loss, and the policy shall continue to provide coverage with respect to any replacement plates.
- C. If the insured files a lost plate affidavit with the Registry of Motor Vehicles, the company may cancel the policy.

3. Except as otherwise provided by law, no cancellation of the policy by the Company shall be valid unless written notice thereof is given by the Company to the Insured at least twenty days prior to the intended effective date thereof. Notice of cancellation sent by the company to the insured and the loss payee at the addresses stated in the policy by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service, shall be a sufficient notice and that an affidavit of any officer, producer, or employee of the company, duly authorized for the purpose that he has so sent such addressed as aforesaid, shall be prima facie evidence of the sending thereof as aforesaid. When the cancellation becomes effective, the company shall electronically transmit the pertinent data to the Registry of Motor Vehicles in the manner prescribed by the Uninsured Motorists System (UMS). The written notice to the insured shall specify the reason or reasons for cancellation. If the reason for cancellation is non-payment of premium, the Notice of Cancellation shall state the amount of deficiency, including installment processing fees, late fees, and premium owed to the company for all the insurance provided and shall state in substance that the cancellation will not be effective if the insured pays the full amount of such deficiency on or prior to the effective date of the cancellation.

B. Sale or Transfer of Motor Vehicle, Surrender of Registration Plates, or Filing of a New Certificate

The policy shall terminate upon:

- 1. The Company's receipt of notice of the sale or transfer of title by the owner of the motor vehicle or trailer.
- 2. The surrender to the Registry of Motor Vehicles of the registration plates issued to the owner of the motor vehicle by the Registrar of Motor Vehicles under Chapter 90, with a written statement, in such form as the said Registrar may require, (plates returned receipt) that they are surrendered to cancel the registration of, and the insurance under, the policy for such motor vehicle or trailer.
- 3. The Company's receipt of proof of insurance from another company. Termination of coverage will take effect the effective date on the proof of insurance.

NOTE: If more than one motor vehicle or trailer is described in the policy, the termination of coverage applies only to the motor vehicle or trailer involved in one of the situations described above.

C. Reinstatement

If a policy has been cancelled by an insurance company, and such policy is later reinstated by the Board of appeal or by the Superior Court or Municipal Court of the City of Boston, the premium charge for the unexpired term of the policy shall be calculated pro rata on the premium applicable to the policy when originally issued.

D. Plates Returned Receipt

In the event that a policy has been terminated by

- A. Sale or transfer of the motor vehicle, or
- B. Surrender of the registration plates by the owner of the motor vehicle with a written statement in such form as the Registrar may require that they are surrendered to cancel the registration of, and the insurance under, the policy for such motor vehicle or trailer. A receipt from the Registry of Motor Vehicles stating that the registration plates have been surrendered must be furnished to the insurance company.

E. Leased Vehicles Under Long Term Contract

In the event a policy of this type is cancelled, the cancellation notice is to be issued in the name of the person or organization to whom the policy was issued. A copy of the cancellation notice will be sent to the Additional Interest listed on the policy. Upon the intended effective date of cancellation, a notice issued in the name of the registrant must be electronically transmitted to the Registry by the company.

D01- Driver Definitions

The term "eligible to be rated driver" refers to resident relatives of legal driving age and drivers of covered autos other than those:

- A. With a signed named driver exclusion form;
- B. Designated as list only; or
- C. Drivers with learner's permits as specified in Rule D02.

Under certain circumstances, the applicant may designate specific household members as "list only" drivers so that, their violation and accident histories do not affect premium.

For the Company to accept a request to designate a driver as list only, the driver must meet at least one of the following criteria:

- is out of the country;
- Non-licensed child

The term "rated driver" refers to driver(s) used to develop the Household Factor, as defined in the Rate Order of Calculation.

D02-Permit Rating

Drivers with a learner's permit and a child of the primary named insured will not be included in the rating of the policy. The permit driver will become an eligible to be rated driver when the company is notified by the named insured, or a third party vendor, that the permit driver has obtained their full license. Where third party notification of licensing is not available, permit drivers will be classified as eligible to be rated at the first renewal of the policy. Unless reported by the named insured, we will notify the customer of the change in license status, providing them an opportunity to revert to the non-rated status if the driver continues to hold a learner's permit.

D03-Driver Classification

The number of years driving experience is considered in rating. Driving experience is determined by the number of years that the operator has held a valid license.

D04-Driving Record Classification

Chargeable Period - the 36 month period prior to policy term inception. For drivers who are endorsed onto the policy, until the next policy term, their chargeable period will be 36 months prior to the date on which they are added to the policy.

Chargeable Date - the occurrence date is used to determine if the accident or violation took place in the chargeable period. If the date is not furnished on the application, the occurrence date will be deemed to be the day before the inception date of the policy unless the Company obtains another date from a consumer report (which it has no duty to obtain).

MVR/Court Data/Claims Loss History Report Reconciliations - accidents and violations listed on the application will be reconciled with similar accidents and violations obtained from a consumer report to avoid duplication. When reconciliation occurs, the accidents and violations will be assigned the date of occurrence listed on the consumer report. If reconciliation does not occur, accidents and violations listed on the application and/or the consumer reports will be considered separate violations.

Same Day Offenses - if an occurrence results in multiple violations or accidents, the driving record points for that occurrence will be based on the violation or accident with the highest bodily injury point charge.

Source of Points - charge for accidents or violations occurring while a driver is operating a private passenger auto, commercial vehicle, motorcycle or recreational vehicle.

Greater than 12 Violations - if a driver has more than 12 violations and accidents during the chargeable period, the total points for the twelfth earliest and all subsequent accidents and violations within the chargeable period will be charged using an XPT (extra points) violation code. We will determine the total points for 'XPT' by evaluating each extra violation by coverage and occurrence, and selecting the lowest point assignment for any one coverage as the point factor for all coverages. The final points are then aggregated for the total XPT point charge. The total points charged are evaluated at each renewal. As one or more violations/accidents age out of the chargeable period, a corresponding number of the earliest violations/accidents in the XPT violation code are taken out of the XPT violation code and assigned their regular chargeable dates and violation codes.

At-Fault Accidents:

- A. New Business and Newly Added Drivers - accidents noted on the MVR, from court data, or application will be deemed to be at-fault unless proof is received to verify that the insured was not-at-fault. Accidents noted on the claims loss history report will be deemed to be at-fault if payments were made under liability or collision coverages. However, if any collision only claims have a \$0 payout, or if amounts paid under collision only claims have been subrogated, those accidents will be deemed to be not-at-fault. Accidents involving hitting another vehicle or object as a result of swerving to avoid an animal are at-fault.

- B. Renewal Business – accidents reported to the Company will be deemed at-fault if we determine our insured is at least 51% liable for the accident. Newly discovered accidents noted only on an MVR or from court data when obtained at renewal will be deemed non-chargeable. A newly discovered accident noted on the claims loss history report when obtained at renewal will be added only if the accident occurred prior to the driver being specified as having coverage under the policy and the driver was at-fault.

- C. At-fault-accidents - Accidents which are not considered to be at-fault include, but are not limited to, the following:
 - 1. The accident was caused by collision with a bird or animal;
 - 2. The automobile was lawfully parked;
 - 3. The automobile was struck in the rear by another vehicle and the driver of the automobile which was struck in the rear was not convicted of a moving violation in connection with the accident;

4. The automobile was struck by a "hit-and-run" driver and the accident was reported to the proper authorities within 24 hours;
5. The driver of the automobile was not convicted of a moving traffic violation in connection with the accident, but the driver of another vehicle involved in the accident was convicted of a moving traffic violation; and
6. The accident is not chargeable under applicable state laws and regulations or other Company procedures.

Emergency Vehicle Operation – if the Company is notified of the circumstances of an accident by the applicant or insured, accidents occurring while a driver is operating an emergency vehicle (including without limitation an ambulance, police car, EMS vehicle, or fire department vehicle) in the line of duty will not be considered as part of the driving record.

Mid-term Driving History Re-evaluation - At the named insured's request during a policy term, the Company will re-evaluate the driving history of all drivers on the policy by removing points associated with accidents and violations that occurred more than 36 months prior to the date of re-evaluation if none of the drivers have had new accidents or violations since the premium for that policy term was determined. The policy premium shall be adjusted accordingly, as of the date of the named insured's request, based on the revised point total.

Violation Class Code - Violations and accidents are classified into eight groups: driving under the influence (DWI), speeding (SPD), minor routine traffic infractions like failure to yield (MIN), major serious infractions such as vehicular homicide (MAJ), informational incidents (IND), not-at-fault accidents (NAF), and at-fault accidents (AAF).

Refer to the rates filing for the violation code to violation class code assignment.

D05-Unverifiable Driving Record and Foreign Driver's License

Unverifiable Driving Record - When the Company attempts to obtain a driving record from the state's Bureau of Motor Vehicles that issued the license or a similar agency and the record is not provided, we will assess that driver the number of points indicated in the Violation Points table in the rates filing. The date assigned to the points will be the day before the inception date of the policy. The points will be removed when the Company receives a valid driving record, either from the driver or in accordance with its normal driving record ordering practices. Upon receipt of a driving record, any points associated with violations/accidents that are disclosed on the driving record will be added.

Drivers licensed less than three years will not be charged unverifiable driving record points.

Foreign Driver's License - Any driver who does not have a valid U.S. or Canadian license but has a valid foreign license or international driver's license will be assessed the number of points indicated in the Violation Points table in the rates filing. The date assigned to the points will be the day before the inception date of the policy.

Those points are deleted at the first renewal after a valid U.S. license has been obtained, maintained for 12 months, and reported to the Company. In addition, a driver who would be assessed such points and who (a) has never been issued a U.S. license, and (b) has driven out of the country because of U.S. military duty will not have the points assessed if such driver presents the Company with a motor vehicle report that is issued in English by a foreign governmental agency within the past 30 days.

D06-Driving Violation Descriptions

The following chart lists the violation codes and their associated descriptions:

Violation Code	Violation Description
AAF	At Fault Accident
AF1	At Fault Accident Minor
AF5	At Fault Accident greater than 36 months old
AFM	Non-chargeable Accident
AFN	Non-chargeable At Fault Accident - less than \$500 payout
ANC	Waived Claim – Closed
ANO	Waived Claim – Open
APC	Accident Prevention Course
ASW	Accident Waived
BOT	Open Bottle or Container of Alcohol
CMP	Comprehensive Coverage Claim > or = \$1,000
CMU	Comprehensive Coverage Claim under \$1000
CRD	Careless or Improper Driving
DEQ	Improper use of or Defective Equipment Violation
DEV	Traffic Light or Sign Violation
DR	Drag Racing
DWI	Drive Under the Influence of Alcohol/Drugs
FAR	False Accident Report or Perjury
FDL	Foreign Driver's License
FEL	Auto Theft or Felony Involving Motor Vehicle
FLE	Fleeing or Eluding the Police
FRA	Failure to Report an Accident
FTC	Following Too Close
FTY	Failure to Yield
HOM	Collision Involving a Fatality
IBK	Improper Backing of Vehicle
IP	Improper or Illegal Passing
IT	Improper Turn
LIC	License or Credentials Violation
LTS	Leaving the Scene of an Accident
MAJ	Major Violation
MMV	Minor Moving Violation
NAF	Not At Fault Accident
NCL	Non Chargeable Violation
NFX	Not At Fault Accident
NIS	Driving without Insurance on Vehicle
REF	Refused to take Chemical Test
RKD	Reckless Driving
SCH	Improper or Illegal Passing of a School Bus
SLV	Serious License Violations
SNC	Non-chargeable Suspension
SPD	Speeding
SUS	Driving with a Suspended License
TM1	Dispute – At Fault Accident Minor
TMP	Dispute - At Fault Accident
UDR	Unable to Obtain Driver's Driving History
WSR	Driving the Wrong Way on a One Way Street
XPT	Extra Points

D07-Financial Responsibility Filing Fee

At the named insured's request, the Company will issue a financial responsibility filing (e.g. SR22) for any eligible to be rated driver on the policy.

Any policy with a filing must offer liability limits that satisfy minimum financial responsibility requirements for the state requesting the filing. Any driver requesting a filing must have a verifiable driving record.

The Company will cancel the filing upon lapse or expiration of the policy; the filing will be reinstated if the policy reinstates or renews.

Filings can be made for any state except Delaware, Kentucky, Maryland, Massachusetts, Michigan, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Pennsylvania, and West Virginia. The Company does not issue financial responsibility filings for any jurisdiction outside of the United States.

An administrative filing fee of \$25 is charged for each policy term (new and renewal) for which a filing is in place for all or any part of the term.

D08-Unacceptable Drivers

The following risks are not acceptable:

- A. Named insureds who have never been licensed, unless the named insured is not an eligible to be rated driver (D01);
- B. Drivers under the minimum age for state licensing;
- C. Drivers who have been convicted of insurance fraud;
- D. Drivers who have had a policy terminated or voided by the Company for, or who have committed, fraud or misrepresentation in connection with an application for insurance or in the presentation or settlement of a claim;
- E. Drivers who have had a policy terminated or voided by the Company because of, or who have issued, an unauthorized payment in connection with an application for insurance or a policy;
- F. Drivers who have knowingly threatened bodily harm or engaged in menacing behavior towards a Company employee or an authorized independent agent of the Company; and
- G. Eligible to be rated drivers who have a permanently revoked license, however, existing eligible to be rated drivers whose valid license becomes permanently revoked during a Company policy term will continue to be acceptable.

D10-Distant Student Discount

An eligible to be rated driver who is the child of the primary named insured, other than the primary named insured or spouse, licensed less than six years, resides away from home, and is a full-time student enrolled at an educational institution located where the student resides, will be rated with the Distant Student Discount.

The following conditions must be met:

- A. the student may not have regular access to a covered vehicle while at school; and
- B. the school must be more than 100 miles away from the garaging zip code of the covered vehicle on the policy that is nearest to the student's residence at school.

The discount amount will vary if the Minor Child Discount (rule D11) is being applied.

Refer to the rates filing for corresponding factors and coverages to which they apply.

D11-Minor Child Discount

An eligible to be rated driver licensed less than 3 years and a child of the primary named insured, will be rated with the Minor Child Discount if the policy qualifies for a Gold, Platinum, Diamond or White Diamond level Continuous Insurance Discount (rule P34).

Refer to the rates filing for corresponding factors and coverages to which they apply.

D12-Good Student Discount

An eligible to be rated driver who is the child of the primary named insured, other than the primary named insured or spouse, licensed less than six years, a full-time student, and in good academic standing, will be rated with the Good Student Discount.

At least one of the following conditions must be met:

1. Must be ranked in the upper 20th percentile; or
2. Must maintain an overall grade average of at least a B; or
3. Must maintain a GPA of at least 3.0; or
4. Must maintain scholastic achievement of Dean's List, Honor Roll or comparable listing; or
5. Must test in the upper 20th percentile in one of the following standardized tests: PSAT, PACT, SAT, ACT, IA test, CA achievement, or TAP

Proof of the student's academic standing may be required, and the discount will be removed if requested proof is not received.

Refer to the rates filing for corresponding factors and coverages to which they apply.

D81.A-Driver Training

The following rating factor is applied to the designated line coverages as shown in the rate order calculation.

Driver Training

Premiums shall be reduced for inexperienced operators licensed less than seven years who have completed a Satisfactory Driver Training Program.

D81.B-Mature Driver Discount

The following discount is applied to the designated line coverages as shown in the rate order calculation.

Mature Driver:

Premiums will be reduced on each vehicle assigned to an experienced operator age 65 or older. Operators are assigned to vehicles in descending order, starting with the highest rated operator (as defined by RBI Household Factor on the Rate Order of Calculation) and the newest vehicle (as defined by model year). In the circumstance when more than one vehicle has the same model year, the highest Symbol factor will be used.

If the assigned experienced operator will become age 65 during the policy term, premium will be adjusted as of the inception date of that term.

D81.C-4/5 Year Violation Surcharge

A driver level surcharge will be applied to any eligible to be rated driver (D01) on the policy at inception with an occurrence of a MAJ, MIN, SPD or DWI violation class code 37-60 months prior to the new business effective date.

The surcharge will be removed after the first term*.

*The company writes both six month and 12 month terms. If the customer elects a six month term the surcharge will be removed after the first six months. If the customer elects a 12 month term the surcharge will be removed after the first 12 months.

Refer to the rates filing for violation code classifications, corresponding factors and coverages to which they apply.

P01- Liability Increased Limits

Bodily Injury and Property Damage liability limits are required to be equal to or higher than the highest minimum financial responsibility limits required by law in any state in which a vehicle is garaged for more than two months out of the year. All vehicles on the policy with Liability Coverage must carry the same limits. Refer to the rates filing for limits (expressed in \$000's) and associated factors.

P02-UM/UIM BI Limits

The chosen Uninsured/Underinsured Motorist Bodily Injury (UM/UIM) limit applies to all vehicles with liability coverage.

UM/UIM limits cannot exceed the limits chosen for Bodily Injury Liability.

UM/UIM must match, except when 20/40 UM is selected. If this coverage is selected then UIM cannot be selected.

UM may be purchased without UIM.

Refer to the rates filing for available limits (expressed in \$000's) and associated factors.

P03-Limited Collision

Limited Collision coverage cannot be purchased with Collision coverage.

Limited Collision coverage may be purchased without Comprehensive coverage.

Refer to the rates filing for available deductibles and associated factors.

P04-Medical Payments Limits

Medical Payments Coverage is only available on policies with Bodily Injury/Property Damage Liability Coverage. Chosen limits must be identical for all cars with liability coverage on a multi-car policy.

Refer to the rates filing for available limits and associated factors.

P05-PIP Deductible

Personal Injury Protection Coverage is required on all policies. Chosen deductibles must be identical for all cars on a multi-car policy.

Refer to the rates filing for available deductibles and associated factors.

P06-Comprehensive and Collision Coverages

Collision coverage may be purchased without Comprehensive coverage.

Comprehensive coverage must be purchased in combination with Collision, if there are no vehicles with liability coverage on the policy.

Refer to the rates filing for available deductibles and associated factors.

P08-Unacceptable Policies

The following risks are not acceptable:

- A. Policies that have vehicles garaged at two different addresses and drivers in two different households, with the following exceptions:
 - 1. Student or military risks (e.g., spouse of insured/unmarried child of insured);
 - 2. Named insured has two different households (e.g., one permanent home and one vacation home);
 - 3. Drivers who live at different addresses but all vehicles are garaged at one place; or
 - 4. Husband/wife in the process of divorce and the vehicle is still considered community property.

- B. Two or more private passenger automobile insurance policies issued by Company for the same household, with the following exceptions:
 - 1. Policies with 5 or more cars must be split into two policies;
 - 2. Children who own their own vehicle; or
 - 3. Unrelated residents/roommates.

- C. Policies where the named insured is not a natural person, however a partnership or corporation may be listed as an additional interest.

- D. Vehicles that are owned or leased by a partnership or corporation., unless:
 - 1. The vehicles are customarily operated by the named insured or a resident relative for pleasure or commuting;
 - 2. All drivers are household members and are listed on the policy;
 - 3. No more than four such vehicles are owned or leased by the partnership or corporation; and
 - 4. The partnership or corporation does not engage in a business of:
 - a. Carrying persons or property for compensation or a fee, including, but not limited to; limousine, taxi, or other livery services (does not apply to shared expense car pools), pickup or delivery of magazines, newspapers, food, or any other products; or
 - b. Selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles.

- E. Drivers who have had a policy nonrenewed for loss history by Company within 36 months prior to the date of application.

- F. Policies financed through an Outside Premium Finance company.

P09-Expense Loads

An Operations Expense load is charged to capture the customer support costs.

Refer to the rates filing for determination of the Operations Expense amount.

P10-Cancellation Fee

A cancellation fee of \$50 will be assessed for all new business (i.e., first policy term) insured requested and non-payment cancellations.

P11- Reinstatement After Cancellation for Non-payment

If a policy has been canceled for nonpayment of premium, eligible policies may be offered the option to reinstate. If the named insured on an eligible policy chooses to reinstate the cancelled policy in lieu of purchasing a new policy, the named insured must provide a written or recorded statement representing that for the time period between the effective date and time of cancellation and the date and time on which reinstatement is requested no motor vehicle accident involving a household member, accident involving a listed vehicle, or damage to a listed vehicle has occurred. No coverage shall be provided for such accidents or damage if the policy is reinstated.

P12-Treatment of Total Loss Vehicles

The policy will not automatically cancel if a vehicle on the policy is settled as a total loss.

P13-Hardship Accommodation

If the Company has determined that a hardship has occurred and that the hardship will;

- A. Prevent a named insured from obtaining a benefit under the Company's Rules, or
- B. Result in the named insured suffering an adverse consequence in accordance with the Company's rules; the Company may choose to extend such benefit to, or not impose the adverse consequence on, the named insured.

The term "hardship" may include, but is not limited to, situations that involve:

- 1. Substantial physical loss to the residence of the named insured (e.g., loss caused by fire)
- 2. Death or serious illness within the named insured's immediate family
- 3. Military obligations
- 4. Bank error or other third party error not contributed to by the named insured

A hardship accommodation must be requested by or on behalf of the named insured. Only current or recent named insureds are eligible. The maximum period the Company will extend such benefit or not impose adverse consequences is for the remainder of the current policy term, or last policy term in cases involving recent named insureds. "Recent named insured" means a person who was a named insured with Progressive within 30 days prior to the request. Notwithstanding anything contained in this Rule, this Rule shall never operate to cover a claim under an insurance policy issued by the Company.

P14-Preferred Status

A policy is eligible for Preferred Status if all of the following conditions are met:

- A. The policy has a prior insurance classification of "A" (rule P15);
- B. The named insured is receiving the Residence Insurance Discount; and
- C. The total number of chargeable accidents and violations on the policy is equal to or less than the number of vehicles on the policy.

Additionally, all eligible to be rated drivers must meet all the following criteria:

- A. No driver has more than 2 chargeable accidents or violations classified as SPD or MIN;
- B. No driver has more than 1 chargeable at fault accident;
- C. No driver has any violations classified as MAJ or DWI;
- D. No driver has a suspended or permanently revoked license; and
- E. No driver has a financial responsibility filing (e.g. SR22) (rule D07).

A policy will no longer be considered Preferred if any of the following conditions apply:

- A. A policy changes from prior insurance classification of "A" to "B" or "C" (rule P15); or
- B. Any eligible to be rated driver:
 - 1. Has 2 or more chargeable at fault accidents; or
 - 2. Has a violation classified as MAJ or DWI; or
 - 3. Has a suspended or permanently revoked license; or
 - 4. Requests a financial responsibility filing (e.g. SR22) (rule D07).

Refer to the rates filing for violation code classifications.

P15-Prior Insurance Classification

Prior Insurance Classification refers to the number of days the primary named insured or spouse was without private passenger auto liability insurance during the six months immediately preceding the inception of the Company policy.

If the Prior Insurance Classification differs between the primary named insured and spouse, the Company will use the more favorable of the two.

The classifications are as follows:

Number of days without insurance	Classification
0	A
1-31	B
no prior insurance or > 31 days without	C

Refer to the Progressive as Proof of Prior (rule P16) for prior insurance classification exceptions.

Prior Insurance Classification is automatically reevaluated at each renewal after a named insured or spouse has been insured by the Company for 36 months and until a classification of "A" is assigned. A classification of "A" (0 days lapse) will be assigned provided that: a) there have been no late payments or NSF payments on the policy during the 24 months preceding 2 months before the renewal effective date, and b) no eligible to be rated driver on the policy has had any pointed violations or pointed accidents in the preceding 24 months. For policies with "B" or "C" classification with 36 months of tenure:

- If either condition has been violated, the classification will remain at "B" or "C".
- These conditions will be evaluated at each renewal until a classification of "A" is achieved.

Please note that once a policy achieves "A" classification, violating either condition will not cause a change in classification.

P16-Progressive as Proof of Prior Insurance

At new business (i.e., first policy term), a prior private passenger automobile liability insurance policy from the Company, or an insurer that is affiliated with the Company, is treated as no prior insurance (classification "C") with the following exceptions:

- A. If the Primary Named Insured or spouse was adding one or more vehicles to a policy on which there were already 4 vehicles, causing the Company to issue a second policy then the second policy will be given the same prior insurance classification as the existing policy.
- B. For the following exceptions the policy will be classified by the number of days the Company policy has been canceled or lapsed in accordance with the Prior Insurance Classification rule (rule P15):
 - 1. Moved from another state.
 - 2. Has left a Company policy and was a covered driver on that policy.
 - 3. Was divorced/separated 'Spouse' of Named Insured from previous policy.
 - 4. Primary Named Insured or Spouse was the Named Insured on a Commercial Auto policy issued by the Company or its affiliate.
 - 5. Was switching channels of distribution within Progressive.
 - 6. Was on a policy that was continuously in force for 2 years or more.

P18- Accident Surcharge Waiver

Under Accident Surcharge Waiver, the Company will not charge an eligible to be rated driver with points for an At-Fault Accident at renewal if the policy meets the following conditions:

- A. The named insured or spouse has been insured by the Company for at least 48 months prior to the renewal effective date;
- B. There were no other At-Fault or waived accidents on the policy, excluding those the Company has qualified for Low Payout Claim Forgiveness (rule P19), during the 36 months prior to the renewal effective date the accident is first applied.;
- C. The At-Fault Accident claim was reported to the Company;
- D. The driver was an eligible-to-be-rated driver on the policy when the accident occurred.

P19-Low Payout Claim Forgiveness

The Company will not use any low payout claims that occur while the driver is insured with the Company to determine the rate. A low payout claim is one where the Company's total loss payout from all coverages on a claim is equal to or less than \$500 (less all applicable deductibles).

There is no limit to the number of low payout claims that will be waived.

This rule applies to any claim that occurred during any policy term that is in effect on the effective date of this rule, and to all subsequent policy terms while this rule is in effect.

Whether the \$500 threshold has been met will be determined by the Company through its claims adjusting process. The monetary amount of a claim payout will not be reduced by subrogation recoveries made by the Company.

Any associated violations related to the low payout claim will be used to determine the rate.

P23-Rate Capping

Premium changes that result from the Company initiated changes to its rate plan, rather than customer-related changes to the "data profile" of the policy (e.g. speeding ticket), will be "capped" to comply with Division of Insurance Bulletin 2009-13. This capping is applied at the vehicle-coverage level by applying a premium capping factor. Please refer to the Rate Order of Calculation for coverage application.

On each renewal of a policy, prior to applying changes in the customer's data profile, the Company compares a vehicle's full term expiring premium to the premium the vehicle would pay upon renewal without a premium cap (i.e. the uncapped renewal premium) for each coverage. The ratio of full term expiring premium over the uncapped renewal premium is used to determine a rate stability and capping factor as follows:

Please refer to the Rate Order of Calculation for coverage application.

Target Renewal Premium Cap – 6 Month Policies	Current Premium/Uncapped Renewal Premium = K	Rate Stability Factor	Capping Factor
+11.8%/-13.4%	$K < 0.894$	K	1.118
	$0.894 \leq K \leq 1.155$	1.00	1.000
	$K > 1.155$	K	0.866
Target Renewal Premium Cap – 12 Month Policies	Current Premium/Uncapped Renewal Premium = K	Rate Stability Factor	Capping Factor
+/- 25%	$K < 0.80$	K	1.250
	$0.80 \leq K \leq 1.333$	1.00	1.000
	$K > 1.333$	K	0.750

Once the rate stability and capping factors have been determined, the final capped renewal premium is calculated by multiplying the rate stability factor and the capping factor by the renewal premium calculated using the updated data profile for the vehicle. Data profile elements include driver data (e.g., driving record and license status, and coverage history), selections made by the named insured (e.g., limits and deductibles, payment methods), vehicle data (e.g., garaging address changes), and driving data used in the Company's usage-based rating programs, when applicable.

When vehicles and coverages are newly added via endorsement, the premium capping feature is not applied to those vehicles and coverages. Premium capping will apply for subsequent changes and renewals.

There are situations where the Company may wish to allow new rating features or changes to existing features to affect the renewal premium. A new discount might be an example. In those situations, the new rating feature will be fully applied to the in force policies that qualify. All of these exceptions will be specified in the Company's rule filings for those features.

P24-Multi-car Discount

A multi-car discount applies if there is more than one motor vehicle on the policy.

Refer to the rates filing for corresponding factors and coverages to which they apply.

P25-Multi-policy Discount

A discount applies if a primary named insured or their spouse has a second policy from within the Progressive Group of Companies other than a personal auto policy. The discount also applies if the primary named insured or their spouse has a second policy with any of Progressive's private-labeled partnerships. The second policy must be a property and casualty policy. Only one discount applies per policy. The availability of the discount is determined at new business and each renewal. Receipt of the Multi-policy Discount does not preclude application of the Residence Insurance Discount.

Refer to the rates filing for corresponding factors and coverages to which they apply.

P26-Residence Insurance Discount

A Residence Insurance discount applies if the named insured or resident spouse is the named insured under a homeowner, townhouse or condominium owner, renter's policy or mobile home owners policy covering their principal residence. The Company may take reasonable steps to verify this information.

Refer to the rates filing for corresponding factors and coverages to which they apply.

P28-Paid in Full Discount

A paid in full discount applies if the insured chooses the 1-pay bill plan.

Refer to the rates filing for corresponding factors and coverages to which they apply

P29-Electronic Funds Transfer Discount

"EFT" means an electronic funds transfer from the policyholder's checking account to the Company.

An EFT discount is applied to the new business term if the policyholder chooses an EFT payment method bill plan and makes the down payment with either an EFT or a credit card. The EFT discount will be applied at renewal if an EFT payment method bill plan is selected. If a policy is changed from a non-EFT bill plan to an EFT payment method bill plan, the EFT discount will be applied as of the effective date of the change. If a policy is changed from an EFT bill plan to a non-EFT bill plan, the EFT discount will be removed as of the effective date of the change.

Refer to the rates filing for corresponding factors and coverages to which they apply.

P30-Paperless Discount

A Paperless discount will be applied at new business if the named insured agrees to receive policy documents electronically. If the insured endorses Paperless onto the policy mid-term, then the discount will be applied effective on the day the insured confirms his or her paperless preference. To be eligible, the insured must provide and maintain a valid internet mailing (email) address. If the insured requests to receive policy documents by conventional mail, the discount will be removed.

Refer to the rates filing for corresponding factors and coverages to which they apply.

P33-Advance Quote Discount

The Advance Quote Discount is applied to policies written as new business if the Company quote is initiated by the customer more than 7 days before the policy effective date and the policy has a prior insurance classification of "A" (rule P15). The discount does not apply if the Primary Named Insured (PNI) is single and not eligible to be rated or if the PNI is married and the PNI and spouse are both not eligible to be rated.

Refer to the rates filing for corresponding factors and coverages to which they apply.

P34-Continuous Insurance Discount

New Business

At new business, the Continuous Insurance Discount is calculated by determining the length of time the primary named insured or spouse has been continuously covered under private passenger automobile liability insurance policies issued by the insurer immediately prior to the Company. In order to qualify for the Discount at new business, the policy must qualify for prior insurance classification A or B (rule P15).

If the prior insurer was the Company or its affiliate, the Company tenure associated with the primary named insured's or spouse's previous policies will be used to determine Continuous Insurance at new business.

The three levels for New Business Continuous Insurance Discount are as follows:

Platinum:	36 or more months of Continuous Insurance
Gold:	12-35 months of Continuous Insurance
Silver:	0-11 months of Continuous Insurance

Renewal

At renewal, the discount level will be determined by the following criteria:

- If, at new business, the policy qualified for the Platinum New Business Discount Level, the policy will remain in the Platinum New Business Discount Level until the number of months that the primary named insured or spouse has been covered under Company policies reaches 48, at which time, the policy will be moved up to the White Diamond Renewal Discount Level;
- If, at new business, the policy qualified for the Gold New Business Discount Level, the policy will remain in the Gold New Business Discount Level until the number of months that the primary named insured or spouse has been covered under Company policies reaches 36, at which time, the policy will be moved up to the Platinum Renewal Discount Level. The policy will then remain in the Platinum Renewal Discount Level until the number of months that the primary named insured or spouse has been covered under Company policies reaches 48, at which time, the policy will be moved up to the Diamond Renewal Discount Level;
- If, at new business, the policy qualified for the Silver New Business Discount Level, the policy will remain in the Silver New Business Discount Level until the number of months that the primary named insured or spouse has been covered under Company policies reaches 12, at which time, the policy will be moved up to the Gold Renewal Discount Level. The policy will then remain in the Gold Renewal Discount Level until the number of months that the primary named insured or spouse has been covered under Company policies reaches 36, at which time, the policy will be moved up to the Platinum Renewal Discount Level; The policy will then remain in the Platinum Renewal Discount Level until the number of months that the primary named insured or spouse has been covered under Company policies reaches 48, at which time, the policy will be moved up to the Diamond Renewal Discount Level; or
- A policy that did not qualify for the Discount at new business will obtain the Silver Renewal Discount Level at the first renewal, if a 6 month policy term, or the Gold Renewal Discount level at the first renewal, if a 12 month policy term. A policy that renews with the Silver Renewal Business Discount Level will remain in that level until the number of months that the primary named insured or spouse has been covered under Company policies reaches 12, at which time, the policy will be moved up to the Gold Renewal Discount Level. All policies will then remain in the Gold Renewal Discount Level until the number of months that the primary named insured or spouse has been covered under Company policies reaches 36, at which time, the policy will be moved up to the Platinum Renewal Discount Level; The policy will then remain in the Platinum Renewal Discount Level until the number of months that the primary named insured or spouse has been covered under Company policies reaches 48, at which time, the policy will be moved up to the Diamond Renewal Discount Level.

Refer to the rates filing for corresponding factors and coverages to which they apply.

The Discount is designed to review the customer tenure, the policy's prior insurance classification and the policy's current or prior BI limits at each renewal and make any necessary adjustments.

P35-Residency Rewards

Residency Rewards is a factor based on length of residency and policy tenure expressed in months. The length of residency is determined by the duration of time that the named insured has resided at the current address listed on the policy. The duration of time is calculated by measuring the length of time, without a lapse, between the date the insured first resided at the address and the policy effective date. The factor will apply only to policies with a prior insurance classification of C (rule P15).

Refer to the rates filing for corresponding factors and coverages to which they apply.

P36-Three - year Safe Driving Discount

This discount applies if all of the following conditions are met:

- A. None of the eligible to be rated drivers have any occurrences that have an AAF, MAJ, MIN, SPD, DWI, or NAF class codes during the chargeable period (rule D04). NAF class codes that occur after the inception date of the policy (or for drivers added after the inception date, the date they were added) are excluded for determining this discount;
- B. If the policy term is the new business term, the prior insurance classification (rule P15) is "A" or "B".

If the prior insurer was the Company or its affiliate, the Company tenure associated with the primary named insured's or spouse's previous policies will be used to determine the Three Year Safe Driving Discount at new business. The named insured or spouse has been insured by the Company for at least 24 months.
- C. The years licensed of one or more eligible to be rated drivers is greater than or equal to 3 years.

The discount will be removed if an eligible to be rated driver who does not meet the criteria is endorsed on the policy.

Refer to the rates filing for corresponding factors and coverages to which they apply.

P38-Five - year Accident Free Discount

This discount applies if all of the following conditions are met:

- A. None of the eligible to be rated drivers have any occurrences of an at-fault accident (rule D04) during a 60 month chargeable period. The 60 month chargeable period is the 60 month period prior to policy term inception. For drivers who are endorsed onto the policy, until the next policy term, their chargeable period will be 60 months prior to the date on which they are added to the policy.
- B. The years license of one or more eligible to be rated drivers is greater than or equal to 5 years;
and
- C. If the policy term is the new business term, the prior insurance classification (rule P15) is "A" or "B".

If the prior insurer was the Company or its affiliate, the Company tenure associated with the primary named insured's or spouse's previous policies will be used to determine the Five Year Accident Free Discount at new business. The named insured or spouse has been insured by the Company for at least 24 months.

The discount will be removed if an eligible to be rated driver who does not meet the criteria is endorsed on the policy.

Refer to the rates filing for corresponding factors and coverages to which they apply.

P40-Full Coverage Status

For the purposes of this rule, "full coverage" means that a vehicle on the policy has bodily injury, property damage, and collision coverage. When changes are made that effect the "full coverage" of any vehicle on the policy, the Full Coverage Status will be updated as of the effective date of the change.

Vehicles with Full Coverage	Full Coverage Status
All	A
Some	S
None	N

P42-Household Member Factor

A household member factor is applied to all rated drivers on the policy. If all household members (see definition below) are classified as eligible to be rated and there is at least one driver licensed less than 5 years, the factor is selected from the Household Member Factor Table 2. If one or more household members is not classified as eligible to be rated or if all household members are eligible to be rated and have been licensed greater than or equal to 5 years, the factors for all drivers are selected from the Household Member Factor Table 1.

"Household members" are: disclosed residents over the age of 15, plus any other drivers of covered autos. Persons that are known by the Company to be: out of country, never licensed, or drivers qualifying for Permit Rating (rule D02) treatment; will not be considered "Household members".

Only the first four vehicles are considered for application of Household Member factors.

Refer to the rates filing for corresponding factors and coverages to which they apply.

P43-Financial Responsibility Filing Surcharge

A surcharge is applied when any eligible to be rated driver has a financial responsibility filing (e.g. SR22) issued by the Company. The Financial Responsibility Filing Surcharge is in addition to the Financial Responsibility Filing Fee (D07).

Refer to the rates filing for corresponding factors and coverages to which they apply.

P48- Household Structure Factor

A Household Structure Factor will be applied to all policies based on their "household structure". The "household structure" is determined by:

- Single-car / Multi-car
- Inexperienced Primary Named Insured ("PNI")
- Inexperienced driver count
- Eligible to be rated driver count
- Inexperienced rated driver count

When changes are made to a policy that effect the "household structure" of the policy, the Household Structure Factor will be updated as of the effective date of the change.

For the purpose of this rule, an inexperienced driver is defined as year licensed less than five years.

The inexperienced driver count includes all excluded or list only inexperienced drivers.

Refer to the Driver Definitions (rule D01) and Driver Classification (rule D03) for the PNI and driver related terms above. Also, refer to the rates filing which shows how the "household structure" is determined, corresponding factors and coverages to which they apply.

P81-Summary of Coverage Abbreviations

The following abbreviations for coverages are used within the rates filing:

Bodily Injury to Others (RBI),
Personal Injury Protection (PIP),
Bodily Injury Caused by an Uninsured Auto (UM),
Damage to Someone Else's Property (PD),
Optional Bodily Injury to Others (OBI),
Medical Payments (MED),
Collision (COLL),
Limited Collision (LIM COLL),
Comprehensive (COMP),
Substitute Transportation (RENT),
Roadside Assistance, Towing & Labor (ROADSIDE),
Bodily Injury Caused by an Underinsured Auto (UIM),
Additional Custom Parts or Equipment (ACPE),
Loan/Lease Payoff (LOAN),

Refer to the rates filing for coverage limit and deductible offerings.

P84.B - Category Factor

Each policy shall be assigned to a category using criteria that are objective, mutually exclusive and exhaustive. The criteria used do not include: sex, marital status, race, creed, national origin, occupation, income, education, home ownership, rating territory, age, religion, or credit information contained on a consumer report obtained from a consumer reporting agency.

The factor will be based on the following risk attributes:

- Prior insurance classification
- Prior BI Limits for Underwriting
- Number of comprehensive claims (CMP)
- Number of not at fault accidents (NAF)
- The total count of NAFs and CMPs by # of eligible-to-be-rated drivers
- Number of late payments
- Number of non-sufficient funds payments
- Excess resident
- Number of DWIs
- Residence Insurance Carrier
- Number of at fault accidents (rule D04)
- Prior non-pay cancels
- Prior Carrier Type

Evaluation of the category criteria results in assignment to a category. For any policy, it is possible to be assigned into one, and only one, category. The factors associated with each category vary by coverage. Category factors are independent of territory and operator class.

Attributes will be evaluated periodically to determine whether the policy will maintain its current category factor.

Refer to the rates filing for corresponding factors and coverages to which they apply.

P84.C - Garaging Zip Versus Mailing Zip Factor

Garaging zip versus mailing zip is a factor based on a comparison between the garaging zip code and the mailing zip code of the policy. If the garaging zip code matches the mailing zip code, the zip comparison indicator is set to Y.

A named insured with a PO Box ZIP code or military ZIP code will be considered the same as the garaging zip code for the purpose of this rule, assigned to a mailing zip type equal to P. All other policies are assigned to a mailing zip type equal to O.

Refer to the rates filing for corresponding factors and coverages to which they apply.

V01-Vehicle Symbols

Vehicle symbols will be assigned to all vehicles.

Make symbol: This identifies the vehicle make.

Model symbol: This identifies the vehicle model.

Style symbol: This identifies the vehicle body type, wheel drive, and number of cylinders.

Auxiliary symbol: As set forth in section B, this identifies which vehicle rating factors should be applied if the motor vehicle is not identified in the rate factor pages as defined in section A and are not rated as make, model and style symbols 67, 68 or 69.

- A. The make symbol, model symbol, style symbol, and vehicle model year are used to determine factors as set forth in the rate factor pages.
- B. For new model releases without a model in the previous model year, and for new versions of models from the previous model year, the Company will assign the auxiliary symbol based on the corresponding auxiliary symbol factors. These factors are what the Company believes are most appropriate for the vehicle based on similar vehicle makes and vehicle models. The auxiliary symbol factor will be used until the make symbol, model symbol, style symbol and vehicle model year are filed in the rate factor pages as defined in section A.
- C. Vehicles which require only Liability coverage and are pre-1981 model year vehicles; limited production; exotic; classic or collectible vehicles which do not appear on the symbol list are rated with make, model and style symbol 69.
- D. Stated amount vehicles follow a different convention. Stated amount vehicles are vehicles requiring physical damage coverage which are:
 1. Pre-1981 model year vehicles; limited production; exotic; classic or collectible vehicles which do not appear on the symbol list;
 2. Private passenger automobiles, pick-ups, or vans having more than \$5,000 of custom parts equipment; or,
 3. Pick-ups or vans with conversion packages.
The stated amount value for stated amount vehicles may not exceed \$150,000.
- E. Stated amount vehicles will receive make, model, and style symbols 67 and 68 as follows:
 1. Stated amount vehicles, other than conversion vehicles, that have physical damage or liability and physical damage coverage are assigned a make symbol, model symbol, and style symbol 67;
 2. Stated amount vehicles that are conversion vehicles with physical damage or liability and physical damage coverage are assigned a make symbol, model symbol, and style symbol 68.
- F. Grey Market vehicles are rated using the same symbol as would be used for a comparable U.S. vehicle. A copy of the vehicle registration is required for binding to verify that the local jurisdiction's Department of Transportation safety requirements and Environmental Protection Agency emission standards are satisfied.

Refer to the rates filing for corresponding factors and coverages to which they apply.

V02-Model Year

The model year of the private passenger automobile is the year assigned by the original automobile manufacturer. If the auto is rebuilt or structurally altered, then the model year of the chassis determines the model year of the automobile.

V03-Vehicle Age

Vehicle Age is calculated by subtracting the Model Year for the automobile from the applicable Base Model Year. A Vehicle Age less than 0 will be rated at Vehicle Age 0. The applicable Base Model Year is specified in the filing used to determine the rate for the policy.

V04-Value Class Vehicle Rating

Stated Amount value class factors are used to rate stated amount vehicles.

- A. Stated amount vehicles are vehicles which:
 - 1. Are pre-1981 model year vehicles;
 - 2. Are limited production, exotic, classic, or collectible vehicles; or
 - 3. Are private passenger automobiles, pick-ups, or vans having more than \$5,000 of custom parts or equipment; or
 - 4. Are pick-ups or vans with conversion packages.

The stated amount value for stated amount vehicle may not exceed \$150,000.

- B. Physical damage coverage on stated amount vehicles provides coverage up to the lowest of:
 - 1. The actual cash value, reduced by the deductible;
 - 2. The amount necessary to replace the property, reduced by the deductible;
 - 3. The amount necessary to repair the property, reduced by the deductible; or
 - 4. The stated amount value specified by the insured, reduced by the deductible.

Refer to the rates filing for corresponding factors and coverages to which they apply.

V05-Loan/Lease Payoff Unacceptable Risks

Vehicles, other than conversion vans, that are rated as stated amount cannot have this coverage (see - Value Class Vehicle Rating rule V04 for definitions).

V06-Unacceptable Vehicle Types

The following risks are not acceptable:

- A. Vehicles equipped with altered suspensions, which are suspensions that are homemade, custom-built, or modified, and include lift kits greater than 4 inches (usually installed on off-road vehicles or street rods). However, lift kits of 4 inches or less, low riders with hydraulics, kit cars, and dune buggies are acceptable if registered for street use;
- B. Vehicles not registered for street use;
- C. Vehicles equipped with cooking equipment or bathrooms, except the Volkswagen Eurovan and Volkswagen Vanagon, unless toilet facilities have been installed;
- D. Vehicles whose speed attainable in 1 mile, on a paved level surface, is less than 20 mph;
- E. Vehicles with a maximum speed less than 55 mph, if they are the only motor vehicle(s) on the policy.

V07-Vehicle Garaging Location Rating

Vehicles are rated based on the town in which the vehicle is principally garaged.

Refer to the rates filing for corresponding factors and coverages to which they apply.

V08-Unacceptable Vehicle Garaging Locations

The following risks are not acceptable:

- A. Vehicles that do not have a garaging address;
- B. Vehicles that have a principal out of state garaging location in Michigan or Canada; ~~and~~
- C. Policies where all vehicles are generally garaged out of state and;
- D. Policies with any vehicle having a principal garaging location in a state or country in which we do not accept private passenger auto insurance applications.

V09-Vehicle Use Definitions

Vehicles are classified by their use:

Pleasure - vehicles not used for commercial purposes or commuting to work or school;

Commuting - vehicles used to drive back and forth to work or school;

Business - vehicles used in any occupation, trade, or business or for any profit, revenue, or consideration;
and

Farm - vehicles used primarily on a farm, ranch, or orchard.

V10-Unacceptable Vehicle Use

The following risks are not acceptable:

- A. Vehicles used for;
 - 1. Racing;
 - 2. Carrying persons or property for compensation or a fee, including, but not limited to; limousine, taxi, or other livery services (does not apply to shared expense car pools), pickup or delivery of magazines, newspapers, food, or any other products;
 - 3. Lease or rental to others by the applicant;
 - 4. Emergency services, except the occasional use by volunteer responders;
 - 5. Business use that does not meet the acceptable use standards below:
 - a) Used by sales or service representatives or for consumer-oriented direct home sales;
 - b) Used by real estate or insurance agents, lawyers, doctors, accountants or other professionals visiting multiple locations;
 - c) Used by the insured to transport tools or other materials in a trade or business;
 - d) Owned by the insured and used by domestic employees; or
 - e) Used in a business for occasional errands.
 - 6. Transporting explosives, chemicals, flammable materials, or more than 500 pounds of supplies or equipment;
 - 7. Snowplowing for consideration or a fee.

- B. Any vehicles regularly available to non-listed drivers.

V11-Business Use Surcharge

A surcharge applies for any vehicle classified for acceptable business use.

Refer to the rates filing for corresponding factors and coverages to which they apply.

V12-Excess Vehicle Factor

If all resident relatives of legal driving age and drivers of insured vehicles are classified as eligible to be rated (rule D01) and if the number of motor vehicles exceeds the number of eligible to be rated drivers, then there are excess vehicles to which the excess vehicle factor is applied. The number of excess vehicles equals the number by which the number of motor vehicles exceeds the number of eligible to be rated drivers.

Which motor vehicles are considered excess is determined by applying the following criteria in the following order:

1. Oldest Model Year, or Oldest Model Years if there is more than one excess vehicle
2. Lowest BI Symbol factor, or Lowest BI Symbol factor if there is more than one excess vehicle
3. Last Vehicle Listed

If all excess vehicle(s) cannot be identified by application of, first, the Oldest Model Year criteria then, second, the Lowest BI Symbol criteria, the third criteria, Last Vehicle Listed, is used to identify any remaining excess vehicles.

The excess vehicle factor is applied only to excess vehicles.

Refer to the rates filing for corresponding factors and coverages to which they apply.

V13-Usage-based Insurance

At the insured's request, we will provide a device that plugs into the On-Board Diagnostic (OBDII) port found on all vehicles sold in the U.S. since model year 1996. The device records the following vehicle information: the date and time of installation and disconnection, and the time of day and speed at which the vehicle is operated.

With the exception of (1) vehicles that are symbolized as 67, 68, or 69 as defined in rule V01, any vehicle that is in a location with adequate cellular coverage and is technologically compatible with the device is eligible for the usage-based insurance program. The insured must provide a valid email address.

After 30 days of connectivity in the usage based insurance program, a usage factor is applied. The usage factor will be applied for the remainder of the policy term to all eligible coverages on the enrolled vehicle, and through all coverage changes thereafter endorsed onto the policy. All enrolled vehicles will remain in the program.

At the subsequent renewal, each enrolled vehicle will receive an updated usage factor that is derived from the vehicle information data. Specifically, the updated usage factor considers the following driving elements: hard braking, time of day and mileage. If the usage factor indicates a discount, it will be applied for the remainder of the policy term to all eligible coverages on the enrolled vehicle, and through all coverage changes thereafter endorsed onto the policy.

If the vehicle has the minimum required amount of connectivity, the participant will be asked to return the device. Any achieved discount will remain on the vehicle for the life of the policy. If the vehicle does not have the minimum required amount of connectivity, the vehicle will be evaluated again at the next renewal. If the vehicle still does not meet the minimum connectivity requirement, the vehicle will be removed from the program and any usage-based discount will be removed prospectively. If the vehicle has the minimum required amount of connectivity but the usage factor does not indicate a discount, the vehicle will be removed from the program.

If an insured unenrolls from the usage-based insurance program, doesn't install the device within 45 days from the date of enrollment, or inactivates it for a 45 day period, no future usage factor will be applied and any usage-based discount will be removed going forward.

Refer to the Usage Based Insurance Factor Table in the rates filing for corresponding factors and coverages to which they apply.

Note: "Connectivity" is the physical connection of the device to the OBDII port. "Minimum Connectivity" is 30 days for an initial usage factor. Once the vehicle is driven for a minimum of 75 days after installation, a second usage factor will determine renewal pricing on a going forward basis. For these initial and subsequent periods, the device needs to be connected 95% of the time.

V90-Verified Mileage

The company shall use the odometer readings associated with the Vehicle Inspection System of the Registry of Motor Vehicles to calculate an annualized mileage for the most recent year. The mileage is computed based on the difference between the most recent odometer reading at the time of application and an odometer reading which is at least six months prior to the most recent one.

A code will be assigned to each vehicle based upon enrollment in the Usage-based insurance program and verified mileage indicator.

<u>Code</u>	<u>UBI Enrollment</u>	<u>Verified Mileage</u>
Mileage Group 1	Yes	Yes
Mileage Group 2	Yes	No
Mileage Group 3	No	Yes
Neutral*	No	No

A mileage tier will also be assigned to each vehicle. This tier is derived from the verified mileage value, years licensed of rated drivers, number of rated drivers and vehicles, BI/PD points for rated drivers, vehicle age and vehicle location.

*Vehicles with unverified mileage not enrolled in the Usage-based insurance program (V13) will be treated as neutral.

For vehicles enrolled in the Usage-based insurance program (V13), the mileage factor will be replaced with the Usage-based insurance factor at the first renewal after monitoring is complete.

Refer to the rates filing for corresponding factors and coverages to which they apply.

V91-Pre-Insurance Inspection Program

General Laws Chapter 175, section 113S, and the implementing regulations, 211 CMR 94.00, require the pre-insurance inspection of certain private passenger motor vehicles. The following is a summary of the regulation.

Eligibility

Unless waived, all private passenger motor vehicles and pick-ups or vans having a gross vehicle weight under 10,001 pounds are required to be inspected prior to the issuance of physical damage coverages at the time of application.

An inspection is not required if:

1. The motor vehicle is a new, unused motor vehicle from a franchised automobile dealership where Progressive is provided with either: a copy of the bill of sale which contains a full description of the motor vehicle, including all options and accessories; or a copy of the RMV Form 1 provided by the Registry of Motor Vehicles, which establishes the transfer of ownership from the dealer to the customer and a copy of the window sticker or the dealer invoice showing the itemized options and equipment in addition to the total retail price of the vehicle;
2. The applicant has been insured for six months or longer, without interruption, under a motor vehicle liability policy or policies which include(s) physical damage;
3. The inspection is waived by Progressive;
4. The motor vehicle not owned by the applicant and, is used by the applicant, with the permission of the owner, as a temporary substitute due to breakdown, repair, servicing, loss or destruction of the applicant's own motor vehicle;
5. The inspection would cause a serious hardship to Progressive or the applicant; or
6. Progressive has no inspection facility or authorized representative in the city or town in which the motor vehicle is principally garaged or within five miles of the city or town.

An inspection may be waived if:

1. A non-owned vehicle is insured under a policy providing physical damage coverage issued by an insurer which has inspected the motor vehicle;
2. An insurance producer is transferring a book of business from one insurer to Progressive;
3. An insurance producer is transferring an individual applicant's coverage from one insurer to Progressive, although Progressive may require the producer to provide a copy of the inspection information completed on behalf of the former insurer;
4. The motor vehicle is insured for physical damage on the applicant's expiring motor vehicle liability policy, or a copy of a prior pre-insurance inspection information is provided;
5. The applicant has been a customer of the insurance producer of record for at least six months under a motor vehicle liability policy which included physical damage coverage;or
6. Progressive decides to waive based on vehicle age and total policy points.

Progressive may defer an inspection for ten calendar days (not including legal holidays and Sundays) following the effective date of coverage or the date of notice for inspection, whichever is later, if an inspection at the time of the request for coverage would create a serious inconvenience for the applicant.

Pre-insurance inspections shall be conducted by an authorized representative of Progressive at a time and place reasonably convenient to the applicant.

The inspection information and required photographs must be retained for three years.

If the pre-insurance inspection is not conducted within the ten-day deferral period, physical damage coverage is automatically suspended on the following day, until the inspection is completed.

X02-Prior BI Limits

Prior Insurance BI Limits refers to the BI limits provided by the insurance policy immediately preceding the inception of the Company policy.

The prior BI limits are classified as follows:

Prior BI Limits	Classification
State minimum limits	1
Greater than minimum but <50/100	2
Greater than or equal to 50/100, but less than 100/300 or 100 CSL	3
Greater than or equal to 100/300 or 100 CSL, but less than 250/500 or 300 CSL	4
Greater than or equal to 250/500 or 300 CSL	5
No Prior insurance or > 31 days without	X
Prior insurance without BI limits	N

If the Named Insured or spouse was adding one or more vehicles to a policy on which there were already 4 vehicles, causing the Company to issue a second policy then the second policy will be given the same prior insurance BI limits as the primary policy.

Prior Insurance BI Limit is automatically reevaluated when a named insured or spouse has been insured by the Company for 36 months. The limits carried by the named insured with the Company on the expiring policy will be assigned provided that:

- a) The Company limits are the same or higher than the current Prior BI Limits classification;
- b) There have been no late payments or NSF payments on the policy during the 24 months preceding months before the renewal effective date; and
- c) No eligible to be rated driver on the policy has had any pointed violations or pointed accidents in the preceding 24 months.