

Progressive Direct Insurance
MA Private Passenger Automobile Insurance
New Business Effective 10/03/2008

RULE 4. STANDARD PROCEDURES

A. Renewals

1. If the renewal payment is postmarked (mailed payments) or transacted (phone or internet payments) on or before the renewal effective date, the renewal policy term will be put in force with no lapse in coverage.
2. Failure to pay the renewal payment may result in cancellation of the policy. The specific reason for cancellation is non-payment of any required premium.

The Cancellation Notice must also contain the following statement:

"This cancellation will not take effect if the full amount due shown above is paid on or prior to the effective date of cancellation."

B. Non-Renewal

1. No company shall refuse to renew a policy unless written notice is given by the company to the insured, or the producer or broker producing the business, at least forty-five days prior to the expiration of the policy. The notice shall be on a standard form prescribed by the Commissioner of Insurance.
 - a. A notice required to be sent by the company to the insured may be by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. Unless another company has replaced the insurance, the notice should be electronically transmitted to the Registry of Motor Vehicles not earlier than the policy expiration date. If the insurance and registration are coterminous, it will not be necessary to notify the Registry of Motor Vehicles.
 - b. If the notice is required to be sent by the company to the producer or broker producing the business, such producer or broker shall, within fifteen days of receiving such notice, send a copy to the insured by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. The producer or broker must notify the company not later than the policy expiration date if the insurance is not replaced so that the company may, in turn, electronically transmit the notice to the Registry of Motor Vehicles. Notice to the company is not required if the insurance and registration are coterminous.

C. Transfer of Insurer

1. Progressive will transmit data to the Registry of Motor Vehicles for each vehicle insured.

In addition, Progressive shall prepare an RMV-3 form for processing by the Registry of Motor Vehicles, if an insured requests a corrected registration certificate.
2. At the same time, Progressive shall immediately issue to the insured a Verification of Insurance Form as proof of the issuance of the new policy. This form may be used by the insured to notify their former producer of record and/or former carrier, of the new policy. If requested by the insured, Progressive will send the Verification of Insurance form to the former producer of record and/or former carrier.
3. Upon receipt of a notice of transfer of insurer or other proof of the issuance of a new policy, Progressive shall:
 - a. discontinue coverage as of the date shown as the effective date of the new policy
 - b. compute the return premium, if any, as of the date shown as the effective date of the new policy

No notice of cancellation is required.

D. Cancellation (Other Than Transfer of Insurer)

1. Notice of cancellation must be given in a timely manner as required by Massachusetts law on a form approved by the Commissioner and shall include the specific reason(s) for cancellation.

2. The company must electronically notify the Registry of Motor Vehicles immediately upon the intended effective date of cancellation.

Refer to Rule 18.

RULE 28. PRIVATE PASSENGER CLASSIFICATIONS

A. Operators

All operators of the insured automobiles must be listed on the Coverage Selections Page of the Policy. An operator is a person who has an operator's license, but does not include a person who has only a learner's permit.

1. Assignment of Operators to Automobiles

a. Each operator listed on the policy shall be assigned to an automobile on the policy based on the operator's class and merit rating plan points in a manner which produces the highest Combined Premium (for Parts 1 and 5 for the operator's class and the operator's merit rating plan points) for each automobile. The operators shall be assigned in order of the highest Combined Premium applied to the automobile with highest Base Premium (for Parts 1 and 5) until all operators are assigned to an automobile, except that:

i. If an inexperienced operator is the principal operator of a specific automobile, the automobile shall be rated with the appropriate inexperienced principal operator class and merit rating plan points of that operator; and

ii. If an operator age 65 or over is the principal operator of a specific automobile and all operators listed on the policy have been licensed at least six years, the automobile shall be rated as Class 15 and that operator's merit rating plan points shall be applied. However, if more than one listed operator is age 65 or over, Class 15 and the merit rating plan points of such operators shall be applied in the manner which produces the highest Combined Premium.

iii. If only one operator is listed on the policy, all automobiles on the policy will be assigned the same principal operator classification and merit rating plan points.

iv. If each listed operator has been used in rating an automobile on the policy, any remaining automobiles shall be assigned the operator class and merit rating plan points which produces the lowest Combined Premium, unless the automobile is subject to rating as Class 30.

v. If more than one operator is listed on the policy, an operator cannot be assigned as the principal operator of more than one automobile on the policy until the other operators are assigned to an automobile.

b. The assignment of operators to automobiles applies regardless of the number of policies involved.

c. An inexperienced operator in active military service with the Armed Forces of the United States of America shall not be considered an operator of the automobile unless such individual customarily operates the automobile.

d. Private passenger automobiles owned by clergy are to be classified as class 10 or 15 unless (a) Class 30 is required due to business use other than in connection with church use or (b) an inexperienced operator is listed on the policy.

2. Excluded Operator

If an operator who is a member of the household is to be excluded in rating a particular automobile to produce a lower premium charge, the policyholder must submit a signed statement that such operator does not and will not operate the automobile to be insured. The signed statement must be on the standard form approved by the Commissioner of Insurance, Operator Exclusion Form.

If any operator excluded as a result of such signed statement operates the automobile, the appropriate operator classification premium for the full policy period may be charged unless a collision or limited collision claim has been denied in accordance with the provisions of the policy because the excluded operator was driving the automobile at the time of the accident.

3. Driving Experience

An operator new to Massachusetts must provide evidence of licensure from the state or country where the operator was previously licensed in order to assign the correct operator classification under this rule. If electronically available, the company will be responsible for obtaining the motor vehicle operator report from the other state or country. If necessary, a certified English translation may be required. No operator shall be assigned to Class 10 unless the operator has six or more years of driving experience.

The classification assigned to the operator is based on the number of years licensed in the other state or country and the completion of driver training, as established by the evidence of licensure. If no evidence of prior licensure is available, the operator may be assigned to Class 20 (inexperienced principal operator, licensed less than three years, no driver training) or Class 21 (inexperienced occasional operator, licensed less than three years, no driver training). The Massachusetts driving experience will be used thereafter to assign the operator classification.

4. Operators

Operators will be classified by the amount of use of an insured automobile:

- Principal Operator – a person who has an operator's license and operates the insured automobile more than any other listed operator as determined by the percentage of use of the automobile.
- Occasional Operator – a person who has an operator's license and operates the insured automobile less than the principal operator.

B. Operator Classes

Class

- 10 Experienced Operator.** The operator has been licensed at least six years and is under the age of 65 and the automobile is not used in the occupation, profession or business of the insured.
- 15 Experienced Operator - age sixty-five or more.** The operator has been licensed at least six years and is sixty-five years of age or more and the automobile is not used in the occupation, profession or business of the insured.
- 17 Inexperienced Principal Operator - licensed three or more years.** The operator of the automobile has been licensed at least three years and less than six years and is the principal operator of the automobile.
- 18 Inexperienced Occasional Operator - licensed three or more years.** The operator has been licensed at least three years and less than six years and is not the principal operator of the automobile.
- 20 Inexperienced Principal Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 21 Inexperienced Occasional Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is not the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 25 Inexperienced Principal Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has completed a Satisfactory Driver Training Program.
- 26 Inexperienced Occasional Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, has completed a Satisfactory Driver Training Program, and is not the principal operator of the automobile.
- 30 Business Use.** The operator has been licensed at least six years and the automobile is used in the occupation, profession, or business of the insured. Going to or from the principal place of the occupation, profession or business of the insured is not considered business use.

C. Classification Changes

Classification of each automobile shall be determined by the facts existing as of the effective date of the policy. Premium adjustments shall be made on a pro rata basis if changes occur during the policy period.

D. Satisfactory Driver Training Program

1. Completion and receipt of a certificate under the Massachusetts Behind The-Wheel Driver Training Program prescribed by the Registrar of Motor Vehicles, or
2. The presenting of satisfactory evidence (certificate signed by school officials) that such operators have successfully completed a driver education course in a state other than Massachusetts meeting the following standards:
 - a. The course had the official approval of the State Department of Education or other responsible state agency, and was conducted by:
 - (1) a recognized secondary school, college or university, or
 - (2) other school approved and supervised by the State Department of Education or other responsible state agency.
 - b. The course was conducted by instructors certified by the State Department of Education or other responsible state agency.
 - c. The course was composed of a minimum of thirty clock hours for classroom instruction, plus a minimum of twelve clock hours per student in the practice driving phase.

RULE 60. TRANSITION FACTOR

A transition factor is used at the vehicle and coverage level to comply with the 10% cap for the transition year. The transition factor does not apply to comprehensive or collision coverage for vehicles with a model year of 2008 or greater.

Refer to the rate order calculation in Appendix A of this manual for application of the factor.

Refer to Table 21 of the rate factor pages in Appendix B of this manual for the applicable factors.

Rule 61. Hardship Accommodation

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

- A. prevent a policyholder from obtaining a benefit under the Company's Rules, or
- B. result in the policyholder 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 policyholder.

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

Substantial physical loss to the residence of the policyholder (e.g., loss caused by fire)

Death or serious illness within the policyholder's immediate family

Military obligations

Bank error or other third party error not contributed to by the policyholder

A hardship accommodation must be requested by or on behalf of the policyholder. Only current or recent policyholders are eligible. Notwithstanding anything contained in this Rule, this Rule shall never operate to cover a claim under an insurance policy issued by the Company.

**Progressive Direct Insurance
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2. Failure to pay the renewal payment may result in cancellation of the policy. The specific reason for cancellation is non-payment of any required premium.

The Cancellation Notice must also contain the following statement:

"This cancellation will not take effect if the full amount due shown above is paid on or prior to the effective date of cancellation."

B. Non-Renewal

1. No company shall refuse to renew a policy unless written notice is given by the company to the insured, or the producer or broker producing the business, at least forty-five days prior to the expiration of the policy. The notice shall be on a standard form prescribed by the Commissioner of Insurance.
 - a. A notice required to be sent by the company to the insured may be by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. Unless another company has replaced the insurance, the notice should be electronically transmitted to the Registry of Motor Vehicles not earlier than the policy expiration date. If the insurance and registration are coterminous, it will not be necessary to notify the Registry of Motor Vehicles.
 - b. If the notice is required to be sent by the company to the producer or broker producing the business, such producer or broker shall, within fifteen days of receiving such notice, send a copy to the insured by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. The producer or broker must notify the company not later than the policy expiration date if the insurance is not replaced so that the company may, in turn, electronically transmit the notice to the Registry of Motor Vehicles. Notice to the company is not required if the insurance and registration are coterminous.

C. Transfer of Insurer

1. Progressive will transmit data to the Registry of Motor Vehicles for each vehicle insured.

In addition, Progressive shall prepare an RMV-3 form, accompanied by the appropriate fee, for processing by the Registry of Motor Vehicles, if an insured requests a corrected registration certificate.
2. At the same time, Progressive must immediately issue to the insured a Verification of Insurance Form as proof of the issuance of the new policy. This form may be used by the insured to notify their former producer of record and/or former carrier, of the new policy. If requested by the insured, Progressive will send the Verification of Insurance form to the former producer of record and/or former carrier.
3. Upon receipt of proof of the issuance of a new policy, the former carrier shall:
 - a. discontinue coverage as of the date shown as the effective date of the new policy
 - b. compute the return premium, if any, as of the date shown as the effective date of the new policy
 - c. notify the former producer, if any, of the transfer of coverage.

No notice of cancellation is required.

D. Cancellation (Other Than Transfer of Insurer)

1. Notice of cancellation must be given in a timely manner as required by Massachusetts law on a form approved by the Commissioner and shall include the specific reason(s) for cancellation.

2. The company must electronically notify the Registry of Motor Vehicles immediately upon the intended effective date of cancellation.

Refer to Rule 18.

RULE 28. PRIVATE PASSENGER CLASSIFICATIONS

A. Operators

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1. Assignment of Operators to Automobiles

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i. If an inexperienced operator is the principal operator of a specific automobile, the automobile shall be rated with the appropriate inexperienced principal operator class and merit rating plan points of that operator; and

ii. If an operator age 65 or over is the principal operator of a specific automobile and all operators listed on the policy have been licensed at least six years, the automobile shall be rated as Class 15 and that operator's merit rating plan points shall be applied. However, if more than one listed operator is age 65 or over, Class 15 and the merit rating plan points of such operators shall be applied in the manner which produces the highest Combined Premium.

iii. If only one operator is listed on the policy, all automobiles on the policy will be assigned the same principal operator classification and merit rating plan points.

iv. If each listed operator has been used in rating an automobile on the policy, any remaining automobiles shall be assigned the operator class and merit rating plan points which produces the lowest Combined Premium, unless the automobile is subject to rating as Class 30.

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b. The assignment of operators to automobiles applies regardless of the number of policies involved.

c. An inexperienced operator in active military service with the Armed Forces of the United States of America shall not be considered an operator of the automobile unless such individual customarily operates the automobile.

d. Private passenger automobiles owned by clergy are to be classified as class 10 or 15 unless (a) Class 30 is required due to business use other than in connection with church use or (b) an inexperienced operator is listed on the policy.

2. Excluded Operator

If an operator who is a member of the household is to be excluded in rating a particular automobile to produce a lower premium charge, the policyholder must submit a signed statement that such operator does not and will not operate the automobile to be insured. The signed statement must be on the standard form approved by the Commissioner of Insurance, Operator Exclusion Form.

If any operator excluded as a result of such signed statement operates the automobile, the appropriate operator classification premium for the full policy period may be charged unless a collision or limited collision claim has been denied in accordance with the provisions of the policy because the excluded operator was driving the automobile at the time of the accident.

3. Driving Experience

An operator new to Massachusetts must provide evidence of licensure from the state or country where the operator was previously licensed in order to assign the correct operator classification under this rule. If electronically available, the company will be responsible for obtaining the motor vehicle operator report from the other state or country. If necessary, a certified English translation may be required. No operator shall be assigned to Class 10 unless the operator has six or more years of driving experience.

The classification assigned to the operator is based on the number of years licensed in the other state or country and the completion of driver training, as established by the evidence of licensure. If no evidence of prior licensure is available, the operator may be assigned to Class 20 (inexperienced principal operator, licensed less than three years, no driver training) or Class 21 (inexperienced occasional operator, licensed less than three years, no driver training). The Massachusetts driving experience will be used thereafter to assign the operator classification.

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B. Operator Classes

Class

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- 15 Experienced Operator - age sixty-five or more.** The operator has been licensed at least six years and is sixty-five years of age or more and the automobile is not used in the occupation, profession or business of the insured.
- 17 Inexperienced Principal Operator - licensed three or more years.** The operator of the automobile has been licensed at least three years and less than six years and is the principal operator of the automobile.
- 18 Inexperienced Occasional Operator - licensed three or more years.** The operator has been licensed at least three years and less than six years and is not the principal operator of the automobile.
- 20 Inexperienced Principal Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 21 Inexperienced Occasional Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is not the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 25 Inexperienced Principal Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has completed a Satisfactory Driver Training Program.
- 26 Inexperienced Occasional Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, has completed a Satisfactory Driver Training Program, and is not the principal operator of the automobile.
- 30 Business Use.** The operator has been licensed at least six years and the automobile is used in the occupation, profession, or business of the insured. Going to or from the principal place of the occupation, profession or business of the insured is not considered business use.

C. Classification Changes

Classification of each automobile shall be determined by the facts existing as of the effective date of the policy. Premium adjustments shall be made on a pro rata basis if changes occur during the policy period.

D. Satisfactory Driver Training Program

1. Completion and receipt of a certificate under the Massachusetts Behind The-Wheel Driver Training Program prescribed by the Registrar of Motor Vehicles, or
2. The presenting of satisfactory evidence (certificate signed by school officials) that such operators have successfully completed a driver education course in a state other than Massachusetts meeting the following standards:
 - a. The course had the official approval of the State Department of Education or other responsible state agency, and was conducted by:
 - (1) a recognized secondary school, college or university, or
 - (2) other school approved and supervised by the State Department of Education or other responsible state agency.
 - b. The course was conducted by instructors certified by the State Department of Education or other responsible state agency.
 - c. The course was composed of a minimum of thirty clock hours for classroom instruction, plus a minimum of twelve clock hours per student in the practice driving phase.

RULE 60. TRANSITION FACTOR

A transition factor is used at the vehicle and coverage level to comply with the 10% cap for the transition year. As of the effective date of this filing, the transition factor will not apply to comprehensive or collision coverage for vehicles with a model year of 2007 or greater.

Refer to the rate order calculation in Appendix A of this manual for application of the factor.

Refer to Table 21 of the rate factor pages in Appendix B of this manual for the applicable factors.

RULE 4. STANDARD PROCEDURES

A. Renewals

1. If the renewal payment is postmarked (mailed payments) or transacted (phone or internet payments) on or before the renewal effective date, the renewal policy term will be put in force with no lapse in coverage.
2. Failure to pay the renewal payment may result in cancellation of the policy. The specific reason for cancellation is non-payment of any required premium.

The Cancellation Notice must also contain the following statement:

"This cancellation will not take effect if the full amount due shown above is paid on or prior to the effective date of cancellation."

B. Non-Renewal

1. No company shall refuse to renew a policy unless written notice is given by the company to the insured, or the producer or broker producing the business, at least forty-five days prior to the expiration of the policy. The notice shall be on a standard form prescribed by the Commissioner of Insurance.
 - a. A notice required to be sent by the company to the insured may be by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. Unless another company has replaced the insurance, the notice should be electronically transmitted to the Registry of Motor Vehicles not earlier than the policy expiration date. If the insurance and registration are coterminous, it will not be necessary to notify the Registry of Motor Vehicles.
 - b. If the notice is required to be sent by the company to the producer or broker producing the business, such producer or broker shall, within fifteen days of receiving such notice, send a copy to the insured by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. The producer or broker must notify the company not later than the policy expiration date if the insurance is not replaced so that the company may, in turn, electronically transmit the notice to the Registry of Motor Vehicles. Notice to the company is not required if the insurance and registration are coterminous.

C. ~~New Business~~

- ~~—The producer is required to obtain from the applicant for insurance a new business application in all cases except when the producer is transferring a book of business from one company to another and the acquiring company waives this requirement.~~
- ~~—If the Coverage is being replaced midterm, the producer must verify that there is no automobile insurance premium owed to the former company or producer.~~

DC. Transfer of Insurer

1. ~~The producer of record must provide information necessary for a company to~~ Progressive will transmit data to the Registry of Motor Vehicles for each vehicle insured.

In addition to reporting the necessary information to the company, the producer Progressive shall prepare an RMV-3 form, accompanied by the appropriate fee, for processing by the Registry of Motor Vehicles, if an insured requests a corrected registration certificate.
2. At the same time ~~this transfer information is released to the new carrier, the producer of record~~ Progressive must immediately issue to the insured a Verification of Insurance Form as proof of the issuance of the new policy. This form may be used by the insured to notify their former producer of record, ~~if known, or if not known, to the and/or former carrier, of the new policy.~~ a Notice of Transfer of Insurer form. The notice must be signed by the producer of record and certified by affixing the company stamp of the new carrier. If requested by the insured, Progressive will send the Verification of Insurance form to the former producer of record and/or the former carrier.
3. Upon receipt of ~~the notice of transfer of insurer,~~ proof of the issuance of a new policy, the former carrier shall:
 - a. discontinue coverage as of the date shown as the effective date of the new policy on a Notice of Transfer of Insurer;

- b. compute the return premium, if any, as of the date shown as the effective date of the new policy on a Notice of Transfer of Insurer; and
- c. notify the former producer, if any, of the transfer of coverage.

No notice of cancellation is required.

~~**EXCEPTION** - Except for D-1 above, Section D of this Rule is not applicable to those specific instances when a producer transfers a block of business from one carrier to another. In such situations the producer should refer to the former carrier for specific procedures. No Notice of Transfer of Insurer is required, but the producer of record must provide the new carrier with information necessary for that carrier to transmit registration data to the Registry of Motor Vehicles.~~

ED. Cancellation (Other Than Transfer of Insurer)

1. Notice of cancellation must be given in a timely manner as required by Massachusetts law on a form approved by the Commissioner and shall include the specific reason(s) for cancellation.
2. The company must electronically notify the Registry of Motor Vehicles immediately upon the intended effective date of cancellation.

Refer to Rule 18.

RULE 28. PRIVATE PASSENGER CLASSIFICATIONS

A. Operators

All operators of the insured automobiles must be listed on the Coverage Selections Page of the Policy. An operator is a person who has an operator's license, but does not include a person who has only a learner's permit.

1. Assignment of Operators to Automobiles

a. Each operator listed on the policy shall be assigned to an automobile on the policy based on the operator's class and merit rating plan points in a manner which produces the highest Combined Premium (for Parts 1 and 5 for the operator's class and the operator's merit rating plan points) for each automobile. The operators shall be assigned in order of the highest Combined Premium applied to the automobile with highest Base Premium (for Parts 1 and 5) until all operators are assigned to an automobile, except that:

i. If an inexperienced operator is the principal operator of a specific automobile, the automobile shall be rated with the appropriate inexperienced principal operator class and merit rating plan points of that operator; and

ii. If an operator age 65 or over is the principal operator of a specific automobile and all operators listed on the policy have been licensed at least six years, the automobile shall be rated as Class 15 and that operator's merit rating plan points shall be applied. However, if more than one listed operator is age 65 or over, Class 15 and the merit rating plan points of such operators shall be applied in the manner which produces the highest Combined Premium.

~~iii. If an operator's class and merit rating plan points are rated on an automobile covered by another Massachusetts private passenger insurance policy, that operator shall be deferred from rating on the policy (Deferred Operator). If all operators listed on a policy are Deferred Operators, the operator producing the lowest Combined Premium shall be assigned to the automobile(s).~~

~~iiiv.~~ If only one operator is listed on the policy, all automobiles on the policy will be assigned the same principal operator classification and merit rating plan points.

iv. If each listed operator has been used in rating an automobile on the policy, any remaining automobiles shall be assigned the operator class and merit rating plan points which produces the lowest Combined Premium, unless the automobile is subject to rating as Class 30.

vi. If more than one operator is listed on the policy, an operator cannot be assigned as the principal operator of more than one automobile on the policy until the other operators (~~except Deferred Operators~~) are assigned to an automobile.

b. The assignment of operators to automobiles applies regardless of the number of policies ~~or insurers~~ involved.

c. An inexperienced operator in active military service with the Armed Forces of the United States of America shall not be considered an operator of the automobile unless such individual customarily operates the automobile.

d. Private passenger automobiles owned by clergy are to be classified as class 10 or 15 unless (a) Class 30 is required due to business use other than in connection with church use or (b) an inexperienced operator is listed on the policy.

2. Excluded Operator

If an operator who is a member of the household is to be excluded in rating a particular automobile to produce a lower premium charge, the policyholder must submit a signed statement that such operator does not and will not operate the automobile to be insured. The signed statement must be on the standard form approved by the Commissioner of Insurance, Operator Exclusion Form.

If any operator excluded as a result of such signed statement operates the automobile, the appropriate operator classification premium for the full policy period may be charged unless a collision or limited collision claim has been denied in accordance with the provisions of the policy because the excluded operator was driving the automobile at the time of the accident.

3. Driving Experience

An operator new to Massachusetts must provide evidence of licensure from the state or country where the operator was previously licensed in order to assign the correct operator classification under this rule. If electronically available, the company will be responsible for obtaining the motor vehicle operator report from the other state or country. If necessary, a certified English translation may be required. No operator shall be assigned to Class 10 unless the operator has six or more years of driving experience.

The classification assigned to the operator is based on the number of years licensed in the other state or country and the completion of driver training, as established by the evidence of licensure. If no evidence of prior licensure is available, the operator may be assigned to Class 20 (inexperienced principal operator, licensed less than three years, no driver training) or Class 21 (inexperienced occasional operator, licensed less than three years, no driver training). The Massachusetts driving experience will be used thereafter to assign the operator classification.

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Operators will be classified by the amount of use of an insured automobile:

- Principal Operator – a person who has an operator’s license and operates the insured automobile more than any other listed operator as determined by the percentage of use of the automobile.
- Occasional Operator – a person who has an operator’s license and operates the insured automobile less than the principal operator.

B. Operator Classes

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- 25 Inexperienced Principal Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has completed a Satisfactory Driver Training Program.
- 26 Inexperienced Occasional Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, has completed a Satisfactory Driver Training Program, and is not the principal operator of the automobile.
- 30 Business Use.** The operator has been licensed at least six years and the automobile is used in the occupation, profession, or business of the insured. Going to or from the principal place of the occupation, profession or business of the insured is not considered business use.

C. Classification Changes

Classification of each automobile shall be determined by the facts existing as of the effective date of the policy. Premium adjustments shall be made on a pro rata basis if changes occur during the policy period.

D. Satisfactory Driver Training Program

1. Completion and receipt of a certificate under the Massachusetts Behind The-Wheel Driver Training Program prescribed by the Registrar of Motor Vehicles, or
2. The presenting of satisfactory evidence (certificate signed by school officials) that such operators have successfully completed a driver education course in a state other than Massachusetts meeting the following standards:
 - a. The course had the official approval of the State Department of Education or other responsible state agency, and was conducted by:
 - (1) a recognized secondary school, college or university, or
 - (2) other school approved and supervised by the State Department of Education or other responsible state agency.
 - b. The course was conducted by instructors certified by the State Department of Education or other responsible state agency.
 - c. The course was composed of a minimum of thirty clock hours for classroom instruction, plus a minimum of twelve clock hours per student in the practice driving phase.

RULE 60. TRANSITION FACTOR

A transition factor is used at the vehicle and coverage level to comply with the 10% cap for the transition year. ~~As of the effective date of this filing, the transition factor will not apply to comprehensive or collision coverage for vehicles with a model year of 2007 or greater.~~

Refer to the rate order calculation in Appendix A of this manual for application of the factor.

Refer to Table 21 of the rate factor pages in Appendix B of this manual for the applicable factors.

Progressive Direct Insurance
MA Private Passenger Automobile Insurance
New Business Effective 09/15/2008

RULE 4. STANDARD PROCEDURES

A. Renewals

1. If the renewal payment is postmarked (mailed payments) or transacted (phone or internet payments) on or before the renewal effective date, the renewal policy term will be put in force with no lapse in coverage.
2. Failure to pay the renewal payment may result in cancellation of the policy. The specific reason for cancellation is non-payment of any required premium.

The Cancellation Notice must also contain the following statement:

"This cancellation will not take effect if the full amount due shown above is paid on or prior to the effective date of cancellation."

B. Non-Renewal

1. No company shall refuse to renew a policy unless written notice is given by the company to the insured, or the producer or broker producing the business, at least forty-five days prior to the expiration of the policy. The notice shall be on a standard form prescribed by the Commissioner of Insurance.
 - a. A notice required to be sent by the company to the insured may be by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. Unless another company has replaced the insurance, the notice should be electronically transmitted to the Registry of Motor Vehicles not earlier than the policy expiration date. If the insurance and registration are coterminous, it will not be necessary to notify the Registry of Motor Vehicles.
 - b. If the notice is required to be sent by the company to the producer or broker producing the business, such producer or broker shall, within fifteen days of receiving such notice, send a copy to the insured by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. The producer or broker must notify the company not later than the policy expiration date if the insurance is not replaced so that the company may, in turn, electronically transmit the notice to the Registry of Motor Vehicles. Notice to the company is not required if the insurance and registration are coterminous.

C. Transfer of Insurer

1. Progressive will transmit data to the Registry of Motor Vehicles for each vehicle insured.

In addition, Progressive shall prepare an RMV-3 form for processing by the Registry of Motor Vehicles, if an insured requests a corrected registration certificate.
2. At the same time, Progressive shall immediately issue to the insured a Verification of Insurance Form as proof of the issuance of the new policy. This form may be used by the insured to notify their former producer of record and/or former carrier, of the new policy. If requested by the insured, Progressive will send the Verification of Insurance form to the former producer of record and/or former carrier.
3. Upon receipt of a notice of transfer of insurer or other proof of the issuance of a new policy, Progressive shall:
 - a. discontinue coverage as of the date shown as the effective date of the new policy
 - b. compute the return premium, if any, as of the date shown as the effective date of the new policy

No notice of cancellation is required.

D. Cancellation (Other Than Transfer of Insurer)

1. Notice of cancellation must be given in a timely manner as required by Massachusetts law on a form approved by the Commissioner and shall include the specific reason(s) for cancellation.

2. The company must electronically notify the Registry of Motor Vehicles immediately upon the intended effective date of cancellation.

Refer to Rule 18.

RULE 28. PRIVATE PASSENGER CLASSIFICATIONS

A. Operators

All operators of the insured automobiles must be listed on the Coverage Selections Page of the Policy. An operator is a person who has an operator's license, but does not include a person who has only a learner's permit.

1. Assignment of Operators to Automobiles

a. Each operator listed on the policy shall be assigned to an automobile on the policy based on the operator's class and merit rating plan points in a manner which produces the highest Combined Premium (for Parts 1 and 5 for the operator's class and the operator's merit rating plan points) for each automobile. The operators shall be assigned in order of the highest Combined Premium applied to the automobile with highest Base Premium (for Parts 1 and 5) until all operators are assigned to an automobile, except that:

i. If an inexperienced operator is the principal operator of a specific automobile, the automobile shall be rated with the appropriate inexperienced principal operator class and merit rating plan points of that operator; and

ii. If an operator age 65 or over is the principal operator of a specific automobile and all operators listed on the policy have been licensed at least six years, the automobile shall be rated as Class 15 and that operator's merit rating plan points shall be applied. However, if more than one listed operator is age 65 or over, Class 15 and the merit rating plan points of such operators shall be applied in the manner which produces the highest Combined Premium.

iii. If only one operator is listed on the policy, all automobiles on the policy will be assigned the same principal operator classification and merit rating plan points.

iv. If each listed operator has been used in rating an automobile on the policy, any remaining automobiles shall be assigned the operator class and merit rating plan points which produces the lowest Combined Premium, unless the automobile is subject to rating as Class 30.

v. If more than one operator is listed on the policy, an operator cannot be assigned as the principal operator of more than one automobile on the policy until the other operators are assigned to an automobile.

b. The assignment of operators to automobiles applies regardless of the number of policies involved.

c. An inexperienced operator in active military service with the Armed Forces of the United States of America shall not be considered an operator of the automobile unless such individual customarily operates the automobile.

d. Private passenger automobiles owned by clergy are to be classified as class 10 or 15 unless (a) Class 30 is required due to business use other than in connection with church use or (b) an inexperienced operator is listed on the policy.

2. Excluded Operator

If an operator who is a member of the household is to be excluded in rating a particular automobile to produce a lower premium charge, the policyholder must submit a signed statement that such operator does not and will not operate the automobile to be insured. The signed statement must be on the standard form approved by the Commissioner of Insurance, Operator Exclusion Form.

If any operator excluded as a result of such signed statement operates the automobile, the appropriate operator classification premium for the full policy period may be charged unless a collision or limited collision claim has been denied in accordance with the provisions of the policy because the excluded operator was driving the automobile at the time of the accident.

3. Driving Experience

An operator new to Massachusetts must provide evidence of licensure from the state or country where the operator was previously licensed in order to assign the correct operator classification under this rule. If electronically available, the company will be responsible for obtaining the motor vehicle operator report from the other state or country. If necessary, a certified English translation may be required. No operator shall be assigned to Class 10 unless the operator has six or more years of driving experience.

The classification assigned to the operator is based on the number of years licensed in the other state or country and the completion of driver training, as established by the evidence of licensure. If no evidence of prior licensure is available, the operator may be assigned to Class 20 (inexperienced principal operator, licensed less than three years, no driver training) or Class 21 (inexperienced occasional operator, licensed less than three years, no driver training). The Massachusetts driving experience will be used thereafter to assign the operator classification.

4. Operators

Operators will be classified by the amount of use of an insured automobile:

- Principal Operator – a person who has an operator's license and operates the insured automobile more than any other listed operator as determined by the percentage of use of the automobile.
- Occasional Operator – a person who has an operator's license and operates the insured automobile less than the principal operator.

B. Operator Classes

Class

- 10 Experienced Operator.** The operator has been licensed at least six years and is under the age of 65 and the automobile is not used in the occupation, profession or business of the insured.
- 15 Experienced Operator - age sixty-five or more.** The operator has been licensed at least six years and is sixty-five years of age or more and the automobile is not used in the occupation, profession or business of the insured.
- 17 Inexperienced Principal Operator - licensed three or more years.** The operator of the automobile has been licensed at least three years and less than six years and is the principal operator of the automobile.
- 18 Inexperienced Occasional Operator - licensed three or more years.** The operator has been licensed at least three years and less than six years and is not the principal operator of the automobile.
- 20 Inexperienced Principal Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 21 Inexperienced Occasional Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is not the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 25 Inexperienced Principal Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has completed a Satisfactory Driver Training Program.
- 26 Inexperienced Occasional Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, has completed a Satisfactory Driver Training Program, and is not the principal operator of the automobile.
- 30 Business Use.** The operator has been licensed at least six years and the automobile is used in the occupation, profession, or business of the insured. Going to or from the principal place of the occupation, profession or business of the insured is not considered business use.

C. Classification Changes

Classification of each automobile shall be determined by the facts existing as of the effective date of the policy. Premium adjustments shall be made on a pro rata basis if changes occur during the policy period.

D. Satisfactory Driver Training Program

1. Completion and receipt of a certificate under the Massachusetts Behind The-Wheel Driver Training Program prescribed by the Registrar of Motor Vehicles, or
2. The presenting of satisfactory evidence (certificate signed by school officials) that such operators have successfully completed a driver education course in a state other than Massachusetts meeting the following standards:
 - a. The course had the official approval of the State Department of Education or other responsible state agency, and was conducted by:
 - (1) a recognized secondary school, college or university, or
 - (2) other school approved and supervised by the State Department of Education or other responsible state agency.
 - b. The course was conducted by instructors certified by the State Department of Education or other responsible state agency.
 - c. The course was composed of a minimum of thirty clock hours for classroom instruction, plus a minimum of twelve clock hours per student in the practice driving phase.

RULE 60. TRANSITION FACTOR

A transition factor is used at the vehicle and coverage level to comply with the 10% cap for the transition year. The transition factor does not apply to comprehensive or collision coverage for vehicles with a model year of 2008 or greater.

Refer to the rate order calculation in Appendix A of this manual for application of the factor.

Refer to Table 21 of the rate factor pages in Appendix B of this manual for the applicable factors.

Rule 61. Hardship Accommodation

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

- A. prevent a policyholder from obtaining a benefit under the Company's Rules, or
- B. result in the policyholder 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 policyholder.

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

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

A hardship accommodation must be requested by or on behalf of the policyholder. Only current or recent policyholders are eligible. Notwithstanding anything contained in this Rule, this Rule shall never operate to cover a claim under an insurance policy issued by the Company.

RULE 4. STANDARD PROCEDURES

A. Renewals

1. If the renewal payment is postmarked (mailed payments) or transacted (phone or internet payments) on or before the renewal effective date, the renewal policy term will be put in force with no lapse in coverage.
2. Failure to pay the renewal payment may result in cancellation of the policy. The specific reason for cancellation is non-payment of any required premium.

The Cancellation Notice must also contain the following statement:

"This cancellation will not take effect if the full amount due shown above is paid on or prior to the effective date of cancellation."

B. Non-Renewal

1. No company shall refuse to renew a policy unless written notice is given by the company to the insured, or the producer or broker producing the business, at least forty-five days prior to the expiration of the policy. The notice shall be on a standard form prescribed by the Commissioner of Insurance.
 - a. A notice required to be sent by the company to the insured may be by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. Unless another company has replaced the insurance, the notice should be electronically transmitted to the Registry of Motor Vehicles not earlier than the policy expiration date. If the insurance and registration are coterminous, it will not be necessary to notify the Registry of Motor Vehicles.
 - b. If the notice is required to be sent by the company to the producer or broker producing the business, such producer or broker shall, within fifteen days of receiving such notice, send a copy to the insured by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. The producer or broker must notify the company not later than the policy expiration date if the insurance is not replaced so that the company may, in turn, electronically transmit the notice to the Registry of Motor Vehicles. Notice to the company is not required if the insurance and registration are coterminous.

C. New Business

~~—The producer is required to obtain from the applicant for insurance a new business application in all cases except when the producer is transferring a book of business from one company to another and the acquiring company waives this requirement.~~

~~—If the Coverage is being replaced midterm, the producer must verify that there is no automobile insurance premium owed to the former company or producer.~~

D. C. Transfer of Insurer

1. ~~The producer of record must provide information necessary for a company to~~ Progressive will transmit data to the Registry of Motor Vehicles for each vehicle insured.

~~In addition to reporting the necessary information to the company, the producer~~ Progressive shall prepare an RMV-3 form, ~~accompanied by the appropriate fee,~~ for processing by the Registry of Motor Vehicles, if an insured requests a corrected registration certificate.

2. ~~At the same time this transfer information is released to the new carrier, the producer of record~~ Progressive ~~must shall~~ immediately issue to the insured a Verification of Insurance Form as proof of the issuance of the new policy. This form may be used by the insured to notify their former producer of record, ~~if known, or if not known, to the~~ and/or former carrier, ~~of the new policy.~~ a Notice of Transfer of Insurer form. ~~The notice must be signed by the producer of record and certified by affixing the company stamp of the new carrier. If requested by the insured, Progressive will send the Verification of Insurance form to the former producer of record and/or former carrier.~~
3. Upon receipt of ~~the~~ a notice of transfer of insurer or other proof of the issuance of a new policy, ~~the former carrier~~ Progressive shall:
 - a. discontinue coverage as of the date shown as the effective date of the new policy ~~on a Notice of Transfer of Insurer;~~

b. compute the return premium, if any, as of the date shown as the effective date of the new policy ~~on a Notice of Transfer of Insurer;~~ and

~~e. notify the former producer, if any, of the transfer of coverage.~~

No notice of cancellation is required.

~~**EXCEPTION** - Except for D-1 above, Section D of this Rule is not applicable to those specific instances when a producer transfers a block of business from one carrier to another. In such situations the producer should refer to the former carrier for specific procedures. No Notice of Transfer of Insurer is required, but the producer of record must provide the new carrier with information necessary for that carrier to transmit registration data to the Registry of Motor Vehicles.~~

E. Cancellation (Other Than Transfer of Insurer)

1. Notice of cancellation must be given in a timely manner as required by Massachusetts law on a form approved by the Commissioner and shall include the specific reason(s) for cancellation.
2. The company must electronically notify the Registry of Motor Vehicles immediately upon the intended effective date of cancellation.

Refer to Rule 18.

RULE 28. PRIVATE PASSENGER CLASSIFICATIONS

A. Operators

All operators of the insured automobiles must be listed on the Coverage Selections Page of the Policy. An operator is a person who has an operator's license, but does not include a person who has only a learner's permit.

1. Assignment of Operators to Automobiles

a. Each operator listed on the policy shall be assigned to an automobile on the policy based on the operator's class and merit rating plan points in a manner which produces the highest Combined Premium (for Parts 1 and 5 for the operator's class and the operator's merit rating plan points) for each automobile. The operators shall be assigned in order of the highest Combined Premium applied to the automobile with highest Base Premium (for Parts 1 and 5) until all operators are assigned to an automobile, except that:

i. If an inexperienced operator is the principal operator of a specific automobile, the automobile shall be rated with the appropriate inexperienced principal operator class and merit rating plan points of that operator; and

ii. If an operator age 65 or over is the principal operator of a specific automobile and all operators listed on the policy have been licensed at least six years, the automobile shall be rated as Class 15 and that operator's merit rating plan points shall be applied. However, if more than one listed operator is age 65 or over, Class 15 and the merit rating plan points of such operators shall be applied in the manner which produces the highest Combined Premium.

~~iii. If an operator's class and merit rating plan points are rated on an automobile covered by another Massachusetts private passenger insurance policy, that operator shall be deferred from rating on the policy (Deferred Operator). If all operators listed on a policy are Deferred Operators, the operator producing the lowest Combined Premium shall be assigned to the automobile(s).~~

iiiiv. If only one operator is listed on the policy, all automobiles on the policy will be assigned the same principal operator classification and merit rating plan points.

iv. If each listed operator has been used in rating an automobile on the policy, any remaining automobiles shall be assigned the operator class and merit rating plan points which produces the lowest Combined Premium, unless the automobile is subject to rating as Class 30.

vi. If more than one operator is listed on the policy, an operator cannot be assigned as the principal operator of more than one automobile on the policy until the other operators (~~except Deferred Operators~~) are assigned to an automobile.

b. The assignment of operators to automobiles applies regardless of the number of policies ~~or insurers~~ involved.

c. An inexperienced operator in active military service with the Armed Forces of the United States of America shall not be considered an operator of the automobile unless such individual customarily operates the automobile.

d. Private passenger automobiles owned by clergy are to be classified as class 10 or 15 unless (a) Class 30 is required due to business use other than in connection with church use or (b) an inexperienced operator is listed on the policy.

2. Excluded Operator

If an operator who is a member of the household is to be excluded in rating a particular automobile to produce a lower premium charge, the policyholder must submit a signed statement that such operator does not and will not operate the automobile to be insured. The signed statement must be on the standard form approved by the Commissioner of Insurance, Operator Exclusion Form.

If any operator excluded as a result of such signed statement operates the automobile, the appropriate operator classification premium for the full policy period may be charged unless a collision or limited collision claim has been denied in accordance with the provisions of the policy because the excluded operator was driving the automobile at the time of the accident.

3. Driving Experience

An operator new to Massachusetts must provide evidence of licensure from the state or country where the operator was previously licensed in order to assign the correct operator classification under this rule. If electronically available, the company will be responsible for obtaining the motor vehicle operator report from the other state or country. If necessary, a certified English translation may be required. No operator shall be assigned to Class 10 unless the operator has six or more years of driving experience.

The classification assigned to the operator is based on the number of years licensed in the other state or country and the completion of driver training, as established by the evidence of licensure. If no evidence of prior licensure is available, the operator may be assigned to Class 20 (inexperienced principal operator, licensed less than three years, no driver training) or Class 21 (inexperienced occasional operator, licensed less than three years, no driver training). The Massachusetts driving experience will be used thereafter to assign the operator classification.

4. Operators

Operators will be classified by the amount of use of an insured automobile:

- Principal Operator – a person who has an operator's license and operates the insured automobile more than any other listed operator as determined by the percentage of use of the automobile.
- Occasional Operator – a person who has an operator's license and operates the insured automobile less than the principal operator.

B. Operator Classes

Class

- 10 Experienced Operator.** The operator has been licensed at least six years and is under the age of 65 and the automobile is not used in the occupation, profession or business of the insured.
- 15 Experienced Operator - age sixty-five or more.** The operator has been licensed at least six years and is sixty-five years of age or more and the automobile is not used in the occupation, profession or business of the insured.
- 17 Inexperienced Principal Operator - licensed three or more years.** The operator of the automobile has been licensed at least three years and less than six years and is the principal operator of the automobile.
- 18 Inexperienced Occasional Operator - licensed three or more years.** The operator has been licensed at least three years and less than six years and is not the principal operator of the automobile.
- 20 Inexperienced Principal Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 21 Inexperienced Occasional Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is not the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 25 Inexperienced Principal Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has completed a Satisfactory Driver Training Program.
- 26 Inexperienced Occasional Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, has completed a Satisfactory Driver Training Program, and is not the principal operator of the automobile.
- 30 Business Use.** The operator has been licensed at least six years and the automobile is used in the occupation, profession, or business of the insured. Going to or from the principal place of the occupation, profession or business of the insured is not considered business use.

C. Classification Changes

Classification of each automobile shall be determined by the facts existing as of the effective date of the policy. Premium adjustments shall be made on a pro rata basis if changes occur during the policy period.

D. Satisfactory Driver Training Program

1. Completion and receipt of a certificate under the Massachusetts Behind The-Wheel Driver Training Program prescribed by the Registrar of Motor Vehicles, or
2. The presenting of satisfactory evidence (certificate signed by school officials) that such operators have successfully completed a driver education course in a state other than Massachusetts meeting the following standards:
 - a. The course had the official approval of the State Department of Education or other responsible state agency, and was conducted by:
 - (1) a recognized secondary school, college or university, or
 - (2) other school approved and supervised by the State Department of Education or other responsible state agency.
 - b. The course was conducted by instructors certified by the State Department of Education or other responsible state agency.
 - c. The course was composed of a minimum of thirty clock hours for classroom instruction, plus a minimum of twelve clock hours per student in the practice driving phase.

RULE 60. TRANSITION FACTOR

A transition factor is used at the vehicle and coverage level to comply with the 10% cap for the transition year. The transition factor does not apply to comprehensive or collision coverage for vehicles with a model year of 2008 or greater.

Refer to the rate order calculation in Appendix A of this manual for application of the factor.

Refer to Table 21 of the rate factor pages in Appendix B of this manual for the applicable factors.

Rule 61. Hardship Accommodation

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

- A. prevent a policyholder from obtaining a benefit under the Company's Rules, or
- B. result in the policyholder 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 policyholder.

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

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

A hardship accommodation must be requested by or on behalf of the policyholder. Only current or recent policyholders are eligible. Notwithstanding anything contained in this Rule, this Rule shall never operate to cover a claim under an insurance policy issued by the Company.

**Progressive Direct Insurance
MA Private Passenger Automobile Insurance
New Business Effective 09/15/2008**

RULE 4. STANDARD PROCEDURES

A. Renewals

1. If the renewal payment is postmarked (mailed payments) or transacted (phone or internet payments) on or before the renewal effective date, the renewal policy term will be put in force with no lapse in coverage.
2. Failure to pay the renewal payment may result in cancellation of the policy. The specific reason for cancellation is non-payment of any required premium.

The Cancellation Notice must also contain the following statement:

"This cancellation will not take effect if the full amount due shown above is paid on or prior to the effective date of cancellation."

B. Non-Renewal

1. No company shall refuse to renew a policy unless written notice is given by the company to the insured, or the producer or broker producing the business, at least forty-five days prior to the expiration of the policy. The notice shall be on a standard form prescribed by the Commissioner of Insurance.
 - a. A notice required to be sent by the company to the insured may be by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. Unless another company has replaced the insurance, the notice should be electronically transmitted to the Registry of Motor Vehicles not earlier than the policy expiration date. If the insurance and registration are coterminous, it will not be necessary to notify the Registry of Motor Vehicles.
 - b. If the notice is required to be sent by the company to the producer or broker producing the business, such producer or broker shall, within fifteen days of receiving such notice, send a copy to the insured by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. The producer or broker must notify the company not later than the policy expiration date if the insurance is not replaced so that the company may, in turn, electronically transmit the notice to the Registry of Motor Vehicles. Notice to the company is not required if the insurance and registration are coterminous.

C. Transfer of Insurer

1. Progressive will transmit data to the Registry of Motor Vehicles for each vehicle insured.

In addition, Progressive shall prepare an RMV-3 form, accompanied by the appropriate fee, for processing by the Registry of Motor Vehicles, if an insured requests a corrected registration certificate.
2. At the same time, Progressive must immediately issue to the insured a Verification of Insurance Form as proof of the issuance of the new policy. This form may be used by the insured to notify their former producer of record and/or former carrier, of the new policy. If requested by the insured, Progressive will send the Verification of Insurance form to the former producer of record and/or former carrier.
3. Upon receipt of proof of the issuance of a new policy, the former carrier shall:
 - a. discontinue coverage as of the date shown as the effective date of the new policy
 - b. compute the return premium, if any, as of the date shown as the effective date of the new policy
 - c. notify the former producer, if any, of the transfer of coverage.

No notice of cancellation is required.

D. Cancellation (Other Than Transfer of Insurer)

1. Notice of cancellation must be given in a timely manner as required by Massachusetts law on a form approved by the Commissioner and shall include the specific reason(s) for cancellation.

2. The company must electronically notify the Registry of Motor Vehicles immediately upon the intended effective date of cancellation.

Refer to Rule 18.

RULE 28. PRIVATE PASSENGER CLASSIFICATIONS

A. Operators

All operators of the insured automobiles must be listed on the Coverage Selections Page of the Policy. An operator is a person who has an operator's license, but does not include a person who has only a learner's permit.

1. Assignment of Operators to Automobiles

a. Each operator listed on the policy shall be assigned to an automobile on the policy based on the operator's class and merit rating plan points in a manner which produces the highest Combined Premium (for Parts 1 and 5 for the operator's class and the operator's merit rating plan points) for each automobile. The operators shall be assigned in order of the highest Combined Premium applied to the automobile with highest Base Premium (for Parts 1 and 5) until all operators are assigned to an automobile, except that:

i. If an inexperienced operator is the principal operator of a specific automobile, the automobile shall be rated with the appropriate inexperienced principal operator class and merit rating plan points of that operator; and

ii. If an operator age 65 or over is the principal operator of a specific automobile and all operators listed on the policy have been licensed at least six years, the automobile shall be rated as Class 15 and that operator's merit rating plan points shall be applied. However, if more than one listed operator is age 65 or over, Class 15 and the merit rating plan points of such operators shall be applied in the manner which produces the highest Combined Premium.

iii. If only one operator is listed on the policy, all automobiles on the policy will be assigned the same principal operator classification and merit rating plan points.

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v. If more than one operator is listed on the policy, an operator cannot be assigned as the principal operator of more than one automobile on the policy until the other operators are assigned to an automobile.

b. The assignment of operators to automobiles applies regardless of the number of policies involved.

c. An inexperienced operator in active military service with the Armed Forces of the United States of America shall not be considered an operator of the automobile unless such individual customarily operates the automobile.

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If an operator who is a member of the household is to be excluded in rating a particular automobile to produce a lower premium charge, the policyholder must submit a signed statement that such operator does not and will not operate the automobile to be insured. The signed statement must be on the standard form approved by the Commissioner of Insurance, Operator Exclusion Form.

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3. Driving Experience

An operator new to Massachusetts must provide evidence of licensure from the state or country where the operator was previously licensed in order to assign the correct operator classification under this rule. If electronically available, the company will be responsible for obtaining the motor vehicle operator report from the other state or country. If necessary, a certified English translation may be required. No operator shall be assigned to Class 10 unless the operator has six or more years of driving experience.

The classification assigned to the operator is based on the number of years licensed in the other state or country and the completion of driver training, as established by the evidence of licensure. If no evidence of prior licensure is available, the operator may be assigned to Class 20 (inexperienced principal operator, licensed less than three years, no driver training) or Class 21 (inexperienced occasional operator, licensed less than three years, no driver training). The Massachusetts driving experience will be used thereafter to assign the operator classification.

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Operators will be classified by the amount of use of an insured automobile:

- Principal Operator – a person who has an operator's license and operates the insured automobile more than any other listed operator as determined by the percentage of use of the automobile.
- Occasional Operator – a person who has an operator's license and operates the insured automobile less than the principal operator.

B. Operator Classes

Class

- 10 Experienced Operator.** The operator has been licensed at least six years and is under the age of 65 and the automobile is not used in the occupation, profession or business of the insured.
- 15 Experienced Operator - age sixty-five or more.** The operator has been licensed at least six years and is sixty-five years of age or more and the automobile is not used in the occupation, profession or business of the insured.
- 17 Inexperienced Principal Operator - licensed three or more years.** The operator of the automobile has been licensed at least three years and less than six years and is the principal operator of the automobile.
- 18 Inexperienced Occasional Operator - licensed three or more years.** The operator has been licensed at least three years and less than six years and is not the principal operator of the automobile.
- 20 Inexperienced Principal Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 21 Inexperienced Occasional Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is not the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 25 Inexperienced Principal Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has completed a Satisfactory Driver Training Program.
- 26 Inexperienced Occasional Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, has completed a Satisfactory Driver Training Program, and is not the principal operator of the automobile.
- 30 Business Use.** The operator has been licensed at least six years and the automobile is used in the occupation, profession, or business of the insured. Going to or from the principal place of the occupation, profession or business of the insured is not considered business use.

C. Classification Changes

Classification of each automobile shall be determined by the facts existing as of the effective date of the policy. Premium adjustments shall be made on a pro rata basis if changes occur during the policy period.

D. Satisfactory Driver Training Program

1. Completion and receipt of a certificate under the Massachusetts Behind The-Wheel Driver Training Program prescribed by the Registrar of Motor Vehicles, or
2. The presenting of satisfactory evidence (certificate signed by school officials) that such operators have successfully completed a driver education course in a state other than Massachusetts meeting the following standards:
 - a. The course had the official approval of the State Department of Education or other responsible state agency, and was conducted by:
 - (1) a recognized secondary school, college or university, or
 - (2) other school approved and supervised by the State Department of Education or other responsible state agency.
 - b. The course was conducted by instructors certified by the State Department of Education or other responsible state agency.
 - c. The course was composed of a minimum of thirty clock hours for classroom instruction, plus a minimum of twelve clock hours per student in the practice driving phase.

RULE 60. TRANSITION FACTOR

A transition factor is used at the vehicle and coverage level to comply with the 10% cap for the transition year. As of the effective date of this filing, the transition factor will not apply to comprehensive or collision coverage for vehicles with a model year of 2007 or greater.

Refer to the rate order calculation in Appendix A of this manual for application of the factor.

Refer to Table 21 of the rate factor pages in Appendix B of this manual for the applicable factors.

RULE 4. STANDARD PROCEDURES

A. Renewals

1. If the renewal payment is postmarked (mailed payments) or transacted (phone or internet payments) on or before the renewal effective date, the renewal policy term will be put in force with no lapse in coverage.
2. Failure to pay the renewal payment may result in cancellation of the policy. The specific reason for cancellation is non-payment of any required premium.

The Cancellation Notice must also contain the following statement:

"This cancellation will not take effect if the full amount due shown above is paid on or prior to the effective date of cancellation."

B. Non-Renewal

1. No company shall refuse to renew a policy unless written notice is given by the company to the insured, or the producer or broker producing the business, at least forty-five days prior to the expiration of the policy. The notice shall be on a standard form prescribed by the Commissioner of Insurance.
 - a. A notice required to be sent by the company to the insured may be by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. Unless another company has replaced the insurance, the notice should be electronically transmitted to the Registry of Motor Vehicles not earlier than the policy expiration date. If the insurance and registration are coterminous, it will not be necessary to notify the Registry of Motor Vehicles.
 - b. If the notice is required to be sent by the company to the producer or broker producing the business, such producer or broker shall, within fifteen days of receiving such notice, send a copy to the insured by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. The producer or broker must notify the company not later than the policy expiration date if the insurance is not replaced so that the company may, in turn, electronically transmit the notice to the Registry of Motor Vehicles. Notice to the company is not required if the insurance and registration are coterminous.

C. ~~New Business~~

~~—The producer is required to obtain from the applicant for insurance a new business application in all cases except when the producer is transferring a book of business from one company to another and the acquiring company waives this requirement.~~

~~—If the Coverage is being replaced midterm, the producer must verify that there is no automobile insurance premium owed to the former company or producer.~~

DC. Transfer of Insurer

1. ~~The producer of record must provide information necessary for a company to~~ Progressive will transmit data to the Registry of Motor Vehicles for each vehicle insured.

~~In addition to reporting the necessary information to the company, the producer~~ Progressive shall prepare an RMV-3 form, accompanied by the appropriate fee, for processing by the Registry of Motor Vehicles, if an insured requests a corrected registration certificate.

2. At the same time ~~this transfer information is released to the new carrier, the producer of record~~ Progressive must immediately issue to the insured a Verification of Insurance Form as proof of the issuance of the new policy. This form may be used by the insured to notify their former producer of record, ~~if known, or if not known, to the and/or former carrier, of the new policy.~~ a Notice of Transfer of Insurer form. The notice must be signed by the producer of record and certified by affixing the company stamp of the new carrier. If requested by the insured, Progressive will send the Verification of Insurance form to the former producer of record and/or the former carrier.
3. Upon receipt of ~~the notice of transfer of insurer, proof of the issuance of a new policy,~~ the former carrier shall:
 - a. ~~discontinue coverage as of the date shown as the effective date of the new policy on a Notice of Transfer of Insurer;~~

- b. compute the return premium, if any, as of the date shown as the effective date of the new policy on a Notice of Transfer of Insurer; and
- c. notify the former producer, if any, of the transfer of coverage.

No notice of cancellation is required.

~~**EXCEPTION** - Except for D-1 above, Section D of this Rule is not applicable to those specific instances when a producer transfers a block of business from one carrier to another. In such situations the producer should refer to the former carrier for specific procedures. No Notice of Transfer of Insurer is required, but the producer of record must provide the new carrier with information necessary for that carrier to transmit registration data to the Registry of Motor Vehicles.~~

ED. Cancellation (Other Than Transfer of Insurer)

1. Notice of cancellation must be given in a timely manner as required by Massachusetts law on a form approved by the Commissioner and shall include the specific reason(s) for cancellation.
2. The company must electronically notify the Registry of Motor Vehicles immediately upon the intended effective date of cancellation.

Refer to Rule 18.

RULE 28. PRIVATE PASSENGER CLASSIFICATIONS

A. Operators

All operators of the insured automobiles must be listed on the Coverage Selections Page of the Policy. An operator is a person who has an operator's license, but does not include a person who has only a learner's permit.

1. Assignment of Operators to Automobiles

a. Each operator listed on the policy shall be assigned to an automobile on the policy based on the operator's class and merit rating plan points in a manner which produces the highest Combined Premium (for Parts 1 and 5 for the operator's class and the operator's merit rating plan points) for each automobile. The operators shall be assigned in order of the highest Combined Premium applied to the automobile with highest Base Premium (for Parts 1 and 5) until all operators are assigned to an automobile, except that:

i. If an inexperienced operator is the principal operator of a specific automobile, the automobile shall be rated with the appropriate inexperienced principal operator class and merit rating plan points of that operator; and

ii. If an operator age 65 or over is the principal operator of a specific automobile and all operators listed on the policy have been licensed at least six years, the automobile shall be rated as Class 15 and that operator's merit rating plan points shall be applied. However, if more than one listed operator is age 65 or over, Class 15 and the merit rating plan points of such operators shall be applied in the manner which produces the highest Combined Premium.

~~iii. If an operator's class and merit rating plan points are rated on an automobile covered by another Massachusetts private passenger insurance policy, that operator shall be deferred from rating on the policy (Deferred Operator). If all operators listed on a policy are Deferred Operators, the operator producing the lowest Combined Premium shall be assigned to the automobile(s).~~

~~iiiv.~~ If only one operator is listed on the policy, all automobiles on the policy will be assigned the same principal operator classification and merit rating plan points.

iv. If each listed operator has been used in rating an automobile on the policy, any remaining automobiles shall be assigned the operator class and merit rating plan points which produces the lowest Combined Premium, unless the automobile is subject to rating as Class 30.

vi. If more than one operator is listed on the policy, an operator cannot be assigned as the principal operator of more than one automobile on the policy until the other operators (~~except Deferred Operators~~) are assigned to an automobile.

b. The assignment of operators to automobiles applies regardless of the number of policies ~~or insurers~~ involved.

c. An inexperienced operator in active military service with the Armed Forces of the United States of America shall not be considered an operator of the automobile unless such individual customarily operates the automobile.

d. Private passenger automobiles owned by clergy are to be classified as class 10 or 15 unless (a) Class 30 is required due to business use other than in connection with church use or (b) an inexperienced operator is listed on the policy.

2. Excluded Operator

If an operator who is a member of the household is to be excluded in rating a particular automobile to produce a lower premium charge, the policyholder must submit a signed statement that such operator does not and will not operate the automobile to be insured. The signed statement must be on the standard form approved by the Commissioner of Insurance, Operator Exclusion Form.

If any operator excluded as a result of such signed statement operates the automobile, the appropriate operator classification premium for the full policy period may be charged unless a collision or limited collision claim has been denied in accordance with the provisions of the policy because the excluded operator was driving the automobile at the time of the accident.

3. Driving Experience

An operator new to Massachusetts must provide evidence of licensure from the state or country where the operator was previously licensed in order to assign the correct operator classification under this rule. If electronically available, the company will be responsible for obtaining the motor vehicle operator report from the other state or country. If necessary, a certified English translation may be required. No operator shall be assigned to Class 10 unless the operator has six or more years of driving experience.

The classification assigned to the operator is based on the number of years licensed in the other state or country and the completion of driver training, as established by the evidence of licensure. If no evidence of prior licensure is available, the operator may be assigned to Class 20 (inexperienced principal operator, licensed less than three years, no driver training) or Class 21 (inexperienced occasional operator, licensed less than three years, no driver training). The Massachusetts driving experience will be used thereafter to assign the operator classification.

4. Operators

Operators will be classified by the amount of use of an insured automobile:

- Principal Operator – a person who has an operator’s license and operates the insured automobile more than any other listed operator as determined by the percentage of use of the automobile.
- Occasional Operator – a person who has an operator’s license and operates the insured automobile less than the principal operator.

B. Operator Classes

Class

- 10 Experienced Operator.** The operator has been licensed at least six years and is under the age of 65 and the automobile is not used in the occupation, profession or business of the insured.
- 15 Experienced Operator - age sixty-five or more.** The operator has been licensed at least six years and is sixty-five years of age or more and the automobile is not used in the occupation, profession or business of the insured.
- 17 Inexperienced Principal Operator - licensed three or more years.** The operator of the automobile has been licensed at least three years and less than six years and is the principal operator of the automobile.
- 18 Inexperienced Occasional Operator - licensed three or more years.** The operator has been licensed at least three years and less than six years and is not the principal operator of the automobile.
- 20 Inexperienced Principal Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 21 Inexperienced Occasional Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is not the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 25 Inexperienced Principal Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has completed a Satisfactory Driver Training Program.
- 26 Inexperienced Occasional Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, has completed a Satisfactory Driver Training Program, and is not the principal operator of the automobile.
- 30 Business Use.** The operator has been licensed at least six years and the automobile is used in the occupation, profession, or business of the insured. Going to or from the principal place of the occupation, profession or business of the insured is not considered business use.

C. Classification Changes

Classification of each automobile shall be determined by the facts existing as of the effective date of the policy. Premium adjustments shall be made on a pro rata basis if changes occur during the policy period.

D. Satisfactory Driver Training Program

1. Completion and receipt of a certificate under the Massachusetts Behind The-Wheel Driver Training Program prescribed by the Registrar of Motor Vehicles, or
2. The presenting of satisfactory evidence (certificate signed by school officials) that such operators have successfully completed a driver education course in a state other than Massachusetts meeting the following standards:
 - a. The course had the official approval of the State Department of Education or other responsible state agency, and was conducted by:
 - (1) a recognized secondary school, college or university, or
 - (2) other school approved and supervised by the State Department of Education or other responsible state agency.
 - b. The course was conducted by instructors certified by the State Department of Education or other responsible state agency.
 - c. The course was composed of a minimum of thirty clock hours for classroom instruction, plus a minimum of twelve clock hours per student in the practice driving phase.

RULE 60. TRANSITION FACTOR

A transition factor is used at the vehicle and coverage level to comply with the 10% cap for the transition year. ~~As of the effective date of this filing, the transition factor will not apply to comprehensive or collision coverage for vehicles with a model year of 2007 or greater.~~

Refer to the rate order calculation in Appendix A of this manual for application of the factor.

Refer to Table 21 of the rate factor pages in Appendix B of this manual for the applicable factors.

**Progressive Direct Insurance
MA Private Passenger Automobile Insurance
New Business Effective 09/15/2008**

RULE 4. STANDARD PROCEDURES

A. Renewals

1. If the renewal payment is postmarked (mailed payments) or transacted (phone or internet payments) on or before the renewal effective date, the renewal policy term will be put in force with no lapse in coverage.
2. Failure to pay the renewal payment may result in cancellation of the policy. The specific reason for cancellation is non-payment of any required premium.

The Cancellation Notice must also contain the following statement:

"This cancellation will not take effect if the full amount due shown above is paid on or prior to the effective date of cancellation."

B. Non-Renewal

1. No company shall refuse to renew a policy unless written notice is given by the company to the insured, or the producer or broker producing the business, at least forty-five days prior to the expiration of the policy. The notice shall be on a standard form prescribed by the Commissioner of Insurance.
 - a. A notice required to be sent by the company to the insured may be by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. Unless another company has replaced the insurance, the notice should be electronically transmitted to the Registry of Motor Vehicles not earlier than the policy expiration date. If the insurance and registration are coterminous, it will not be necessary to notify the Registry of Motor Vehicles.
 - b. If the notice is required to be sent by the company to the producer or broker producing the business, such producer or broker shall, within fifteen days of receiving such notice, send a copy to the insured by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. The producer or broker must notify the company not later than the policy expiration date if the insurance is not replaced so that the company may, in turn, electronically transmit the notice to the Registry of Motor Vehicles. Notice to the company is not required if the insurance and registration are coterminous.

C. Transfer of Insurer

1. Progressive will transmit data to the Registry of Motor Vehicles for each vehicle insured.

In addition, Progressive shall prepare an RMV-3 form, accompanied by the appropriate fee, for processing by the Registry of Motor Vehicles, if an insured requests a corrected registration certificate.
2. At the same time, Progressive must immediately issue to the insured a Verification of Insurance Form as proof of the issuance of the new policy. This form may be used by the insured to notify their former producer of record and/or former carrier, of the new policy. If requested by the insured, Progressive will send the Verification of Insurance form to the former producer of record and/or former carrier.
3. Upon receipt of proof of the issuance of a new policy, the former carrier shall:
 - a. discontinue coverage as of the date shown as the effective date of the new policy
 - b. compute the return premium, if any, as of the date shown as the effective date of the new policy
 - c. notify the former producer, if any, of the transfer of coverage.

No notice of cancellation is required.

D. Cancellation (Other Than Transfer of Insurer)

1. Notice of cancellation must be given in a timely manner as required by Massachusetts law on a form approved by the Commissioner and shall include the specific reason(s) for cancellation.

2. The company must electronically notify the Registry of Motor Vehicles immediately upon the intended effective date of cancellation.

Refer to Rule 18.

RULE 28. PRIVATE PASSENGER CLASSIFICATIONS

A. Operators

All operators of the insured automobiles must be listed on the Coverage Selections Page of the Policy. An operator is a person who has an operator's license, but does not include a person who has only a learner's permit.

1. Assignment of Operators to Automobiles

a. Each operator listed on the policy shall be assigned to an automobile on the policy based on the operator's class and merit rating plan points in a manner which produces the highest Combined Premium (for Parts 1 and 5 for the operator's class and the operator's merit rating plan points) for each automobile. The operators shall be assigned in order of the highest Combined Premium applied to the automobile with highest Base Premium (for Parts 1 and 5) until all operators are assigned to an automobile, except that:

i. If an inexperienced operator is the principal operator of a specific automobile, the automobile shall be rated with the appropriate inexperienced principal operator class and merit rating plan points of that operator; and

ii. If an operator age 65 or over is the principal operator of a specific automobile and all operators listed on the policy have been licensed at least six years, the automobile shall be rated as Class 15 and that operator's merit rating plan points shall be applied. However, if more than one listed operator is age 65 or over, Class 15 and the merit rating plan points of such operators shall be applied in the manner which produces the highest Combined Premium.

iii. If only one operator is listed on the policy, all automobiles on the policy will be assigned the same principal operator classification and merit rating plan points.

iv. If each listed operator has been used in rating an automobile on the policy, any remaining automobiles shall be assigned the operator class and merit rating plan points which produces the lowest Combined Premium, unless the automobile is subject to rating as Class 30.

v. If more than one operator is listed on the policy, an operator cannot be assigned as the principal operator of more than one automobile on the policy until the other operators are assigned to an automobile.

b. The assignment of operators to automobiles applies regardless of the number of policies involved.

c. An inexperienced operator in active military service with the Armed Forces of the United States of America shall not be considered an operator of the automobile unless such individual customarily operates the automobile.

d. Private passenger automobiles owned by clergy are to be classified as class 10 or 15 unless (a) Class 30 is required due to business use other than in connection with church use or (b) an inexperienced operator is listed on the policy.

2. Excluded Operator

If an operator who is a member of the household is to be excluded in rating a particular automobile to produce a lower premium charge, the policyholder must submit a signed statement that such operator does not and will not operate the automobile to be insured. The signed statement must be on the standard form approved by the Commissioner of Insurance, Operator Exclusion Form.

If any operator excluded as a result of such signed statement operates the automobile, the appropriate operator classification premium for the full policy period may be charged unless a collision or limited collision claim has been denied in accordance with the provisions of the policy because the excluded operator was driving the automobile at the time of the accident.

3. Driving Experience

An operator new to Massachusetts must provide evidence of licensure from the state or country where the operator was previously licensed in order to assign the correct operator classification under this rule. If electronically available, the company will be responsible for obtaining the motor vehicle operator report from the other state or country. If necessary, a certified English translation may be required. No operator shall be assigned to Class 10 unless the operator has six or more years of driving experience.

The classification assigned to the operator is based on the number of years licensed in the other state or country and the completion of driver training, as established by the evidence of licensure. If no evidence of prior licensure is available, the operator may be assigned to Class 20 (inexperienced principal operator, licensed less than three years, no driver training) or Class 21 (inexperienced occasional operator, licensed less than three years, no driver training). The Massachusetts driving experience will be used thereafter to assign the operator classification.

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Class

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2. The presenting of satisfactory evidence (certificate signed by school officials) that such operators have successfully completed a driver education course in a state other than Massachusetts meeting the following standards:
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Refer to the rate order calculation in Appendix A of this manual for application of the factor.

Refer to Table 21 of the rate factor pages in Appendix B of this manual for the applicable factors.

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 - a. discontinue coverage as of the date shown as the effective date of the new policy on a Notice of Transfer of Insurer;

- b. compute the return premium, if any, as of the date shown as the effective date of the new policy on a Notice of Transfer of Insurer; and
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~~**EXCEPTION** - Except for D-1 above, Section D of this Rule is not applicable to those specific instances when a producer transfers a block of business from one carrier to another. In such situations the producer should refer to the former carrier for specific procedures. No Notice of Transfer of Insurer is required, but the producer of record must provide the new carrier with information necessary for that carrier to transmit registration data to the Registry of Motor Vehicles.~~

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3. Driving Experience

An operator new to Massachusetts must provide evidence of licensure from the state or country where the operator was previously licensed in order to assign the correct operator classification under this rule. If electronically available, the company will be responsible for obtaining the motor vehicle operator report from the other state or country. If necessary, a certified English translation may be required. No operator shall be assigned to Class 10 unless the operator has six or more years of driving experience.

The classification assigned to the operator is based on the number of years licensed in the other state or country and the completion of driver training, as established by the evidence of licensure. If no evidence of prior licensure is available, the operator may be assigned to Class 20 (inexperienced principal operator, licensed less than three years, no driver training) or Class 21 (inexperienced occasional operator, licensed less than three years, no driver training). The Massachusetts driving experience will be used thereafter to assign the operator classification.

4. Operators

Operators will be classified by the amount of use of an insured automobile:

- Principal Operator – a person who has an operator’s license and operates the insured automobile more than any other listed operator as determined by the percentage of use of the automobile.
- Occasional Operator – a person who has an operator’s license and operates the insured automobile less than the principal operator.

B. Operator Classes

Class

- 10 Experienced Operator.** The operator has been licensed at least six years and is under the age of 65 and the automobile is not used in the occupation, profession or business of the insured.
- 15 Experienced Operator - age sixty-five or more.** The operator has been licensed at least six years and is sixty-five years of age or more and the automobile is not used in the occupation, profession or business of the insured.
- 17 Inexperienced Principal Operator - licensed three or more years.** The operator of the automobile has been licensed at least three years and less than six years and is the principal operator of the automobile.
- 18 Inexperienced Occasional Operator - licensed three or more years.** The operator has been licensed at least three years and less than six years and is not the principal operator of the automobile.
- 20 Inexperienced Principal Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 21 Inexperienced Occasional Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is not the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 25 Inexperienced Principal Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has completed a Satisfactory Driver Training Program.
- 26 Inexperienced Occasional Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, has completed a Satisfactory Driver Training Program, and is not the principal operator of the automobile.
- 30 Business Use.** The operator has been licensed at least six years and the automobile is used in the occupation, profession, or business of the insured. Going to or from the principal place of the occupation, profession or business of the insured is not considered business use.

C. Classification Changes

Classification of each automobile shall be determined by the facts existing as of the effective date of the policy. Premium adjustments shall be made on a pro rata basis if changes occur during the policy period.

D. Satisfactory Driver Training Program

1. Completion and receipt of a certificate under the Massachusetts Behind The-Wheel Driver Training Program prescribed by the Registrar of Motor Vehicles, or
2. The presenting of satisfactory evidence (certificate signed by school officials) that such operators have successfully completed a driver education course in a state other than Massachusetts meeting the following standards:
 - a. The course had the official approval of the State Department of Education or other responsible state agency, and was conducted by:
 - (1) a recognized secondary school, college or university, or
 - (2) other school approved and supervised by the State Department of Education or other responsible state agency.
 - b. The course was conducted by instructors certified by the State Department of Education or other responsible state agency.
 - c. The course was composed of a minimum of thirty clock hours for classroom instruction, plus a minimum of twelve clock hours per student in the practice driving phase.

RULE 60. TRANSITION FACTOR

A transition factor is used at the vehicle and coverage level to comply with the 10% cap for the transition year. ~~As of the effective date of this filing, the transition factor will not apply to comprehensive or collision coverage for vehicles with a model year of 2007 or greater.~~

Refer to the rate order calculation in Appendix A of this manual for application of the factor.

Refer to Table 21 of the rate factor pages in Appendix B of this manual for the applicable factors.

**Progressive Direct Insurance
MA Private Passenger Automobile Insurance
New Business Effective 09/15/2008**

RULE 4. STANDARD PROCEDURES

A. Renewals

1. If the renewal payment is postmarked (mailed payments) or transacted (phone or internet payments) on or before the renewal effective date, the renewal policy term will be put in force with no lapse in coverage.
2. Failure to pay the renewal payment may result in cancellation of the policy. The specific reason for cancellation is non-payment of any required premium.

The Cancellation Notice must also contain the following statement:

"This cancellation will not take effect if the full amount due shown above is paid on or prior to the effective date of cancellation."

B. Non-Renewal

1. No company shall refuse to renew a policy unless written notice is given by the company to the insured, or the producer or broker producing the business, at least forty-five days prior to the expiration of the policy. The notice shall be on a standard form prescribed by the Commissioner of Insurance.
 - a. A notice required to be sent by the company to the insured may be by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. Unless another company has replaced the insurance, the notice should be electronically transmitted to the Registry of Motor Vehicles not earlier than the policy expiration date. If the insurance and registration are coterminous, it will not be necessary to notify the Registry of Motor Vehicles.
 - b. If the notice is required to be sent by the company to the producer or broker producing the business, such producer or broker shall, within fifteen days of receiving such notice, send a copy to the insured by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. The producer or broker must notify the company not later than the policy expiration date if the insurance is not replaced so that the company may, in turn, electronically transmit the notice to the Registry of Motor Vehicles. Notice to the company is not required if the insurance and registration are coterminous.

C. Transfer of Insurer

1. Progressive will transmit data to the Registry of Motor Vehicles for each vehicle insured.

In addition, Progressive shall prepare an RMV-3 form, accompanied by the appropriate fee, for processing by the Registry of Motor Vehicles, if an insured requests a corrected registration certificate.
2. At the same time, Progressive must immediately issue to the insured a Verification of Insurance Form as proof of the issuance of the new policy. This form may be used by the insured to notify their former producer of record and/or former carrier, of the new policy. If requested by the insured, Progressive will send the Verification of Insurance form to the former producer of record and/or former carrier.
3. Upon receipt of proof of the issuance of a new policy, the former carrier shall:
 - a. discontinue coverage as of the date shown as the effective date of the new policy
 - b. compute the return premium, if any, as of the date shown as the effective date of the new policy
 - c. notify the former producer, if any, of the transfer of coverage.

No notice of cancellation is required.

D. Cancellation (Other Than Transfer of Insurer)

1. Notice of cancellation must be given in a timely manner as required by Massachusetts law on a form approved by the Commissioner and shall include the specific reason(s) for cancellation.

2. The company must electronically notify the Registry of Motor Vehicles immediately upon the intended effective date of cancellation.

Refer to Rule 18.

RULE 28. PRIVATE PASSENGER CLASSIFICATIONS

A. Operators

All operators of the insured automobiles must be listed on the Coverage Selections Page of the Policy. An operator is a person who has an operator's license, but does not include a person who has only a learner's permit.

1. Assignment of Operators to Automobiles

a. Each operator listed on the policy shall be assigned to an automobile on the policy based on the operator's class and merit rating plan points in a manner which produces the highest Combined Premium (for Parts 1 and 5 for the operator's class and the operator's merit rating plan points) for each automobile. The operators shall be assigned in order of the highest Combined Premium applied to the automobile with highest Base Premium (for Parts 1 and 5) until all operators are assigned to an automobile, except that:

i. If an inexperienced operator is the principal operator of a specific automobile, the automobile shall be rated with the appropriate inexperienced principal operator class and merit rating plan points of that operator; and

ii. If an operator age 65 or over is the principal operator of a specific automobile and all operators listed on the policy have been licensed at least six years, the automobile shall be rated as Class 15 and that operator's merit rating plan points shall be applied. However, if more than one listed operator is age 65 or over, Class 15 and the merit rating plan points of such operators shall be applied in the manner which produces the highest Combined Premium.

iii. If only one operator is listed on the policy, all automobiles on the policy will be assigned the same principal operator classification and merit rating plan points.

iv. If each listed operator has been used in rating an automobile on the policy, any remaining automobiles shall be assigned the operator class and merit rating plan points which produces the lowest Combined Premium, unless the automobile is subject to rating as Class 30.

v. If more than one operator is listed on the policy, an operator cannot be assigned as the principal operator of more than one automobile on the policy until the other operators are assigned to an automobile.

b. The assignment of operators to automobiles applies regardless of the number of policies involved.

c. An inexperienced operator in active military service with the Armed Forces of the United States of America shall not be considered an operator of the automobile unless such individual customarily operates the automobile.

d. Private passenger automobiles owned by clergy are to be classified as class 10 or 15 unless (a) Class 30 is required due to business use other than in connection with church use or (b) an inexperienced operator is listed on the policy.

2. Excluded Operator

If an operator who is a member of the household is to be excluded in rating a particular automobile to produce a lower premium charge, the policyholder must submit a signed statement that such operator does not and will not operate the automobile to be insured. The signed statement must be on the standard form approved by the Commissioner of Insurance, Operator Exclusion Form.

If any operator excluded as a result of such signed statement operates the automobile, the appropriate operator classification premium for the full policy period may be charged unless a collision or limited collision claim has been denied in accordance with the provisions of the policy because the excluded operator was driving the automobile at the time of the accident.

3. Driving Experience

An operator new to Massachusetts must provide evidence of licensure from the state or country where the operator was previously licensed in order to assign the correct operator classification under this rule. If electronically available, the company will be responsible for obtaining the motor vehicle operator report from the other state or country. If necessary, a certified English translation may be required. No operator shall be assigned to Class 10 unless the operator has six or more years of driving experience.

The classification assigned to the operator is based on the number of years licensed in the other state or country and the completion of driver training, as established by the evidence of licensure. If no evidence of prior licensure is available, the operator may be assigned to Class 20 (inexperienced principal operator, licensed less than three years, no driver training) or Class 21 (inexperienced occasional operator, licensed less than three years, no driver training). The Massachusetts driving experience will be used thereafter to assign the operator classification.

4. Operators

Operators will be classified by the amount of use of an insured automobile:

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- Occasional Operator – a person who has an operator's license and operates the insured automobile less than the principal operator.

B. Operator Classes

Class

- 10 Experienced Operator.** The operator has been licensed at least six years and is under the age of 65 and the automobile is not used in the occupation, profession or business of the insured.
- 15 Experienced Operator - age sixty-five or more.** The operator has been licensed at least six years and is sixty-five years of age or more and the automobile is not used in the occupation, profession or business of the insured.
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- 18 Inexperienced Occasional Operator - licensed three or more years.** The operator has been licensed at least three years and less than six years and is not the principal operator of the automobile.
- 20 Inexperienced Principal Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 21 Inexperienced Occasional Operator - licensed less than three years. No driver training.** The operator has been licensed less than three years, is not the principal operator of the automobile, and has not completed a Satisfactory Driver Training Program.
- 25 Inexperienced Principal Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, is the principal operator of the automobile, and has completed a Satisfactory Driver Training Program.
- 26 Inexperienced Occasional Operator - licensed less than three years. Driver training.** The operator has been licensed less than three years, has completed a Satisfactory Driver Training Program, and is not the principal operator of the automobile.
- 30 Business Use.** The operator has been licensed at least six years and the automobile is used in the occupation, profession, or business of the insured. Going to or from the principal place of the occupation, profession or business of the insured is not considered business use.

C. Classification Changes

Classification of each automobile shall be determined by the facts existing as of the effective date of the policy. Premium adjustments shall be made on a pro rata basis if changes occur during the policy period.

D. Satisfactory Driver Training Program

1. Completion and receipt of a certificate under the Massachusetts Behind The-Wheel Driver Training Program prescribed by the Registrar of Motor Vehicles, or
2. The presenting of satisfactory evidence (certificate signed by school officials) that such operators have successfully completed a driver education course in a state other than Massachusetts meeting the following standards:
 - a. The course had the official approval of the State Department of Education or other responsible state agency, and was conducted by:
 - (1) a recognized secondary school, college or university, or
 - (2) other school approved and supervised by the State Department of Education or other responsible state agency.
 - b. The course was conducted by instructors certified by the State Department of Education or other responsible state agency.
 - c. The course was composed of a minimum of thirty clock hours for classroom instruction, plus a minimum of twelve clock hours per student in the practice driving phase.

RULE 60. TRANSITION FACTOR

A transition factor is used at the vehicle and coverage level to comply with the 10% cap for the transition year. As of the effective date of this filing, the transition factor will not apply to comprehensive or collision coverage for vehicles with a model year of 2007 or greater.

Refer to the rate order calculation in Appendix A of this manual for application of the factor.

Refer to Table 21 of the rate factor pages in Appendix B of this manual for the applicable factors.

RULE 4. STANDARD PROCEDURES

A. Renewals

1. If the renewal payment is postmarked (mailed payments) or transacted (phone or internet payments) on or before the renewal effective date, the renewal policy term will be put in force with no lapse in coverage.
2. Failure to pay the renewal payment may result in cancellation of the policy. The specific reason for cancellation is non-payment of any required premium.

The Cancellation Notice must also contain the following statement:

"This cancellation will not take effect if the full amount due shown above is paid on or prior to the effective date of cancellation."

B. Non-Renewal

1. No company shall refuse to renew a policy unless written notice is given by the company to the insured, or the producer or broker producing the business, at least forty-five days prior to the expiration of the policy. The notice shall be on a standard form prescribed by the Commissioner of Insurance.
 - a. A notice required to be sent by the company to the insured may be by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. Unless another company has replaced the insurance, the notice should be electronically transmitted to the Registry of Motor Vehicles not earlier than the policy expiration date. If the insurance and registration are coterminous, it will not be necessary to notify the Registry of Motor Vehicles.
 - b. If the notice is required to be sent by the company to the producer or broker producing the business, such producer or broker shall, within fifteen days of receiving such notice, send a copy to the insured by regular mail for which a certificate of mailing receipt has been obtained from the United States Postal Service. The producer or broker must notify the company not later than the policy expiration date if the insurance is not replaced so that the company may, in turn, electronically transmit the notice to the Registry of Motor Vehicles. Notice to the company is not required if the insurance and registration are coterminous.

C. ~~New Business~~

- ~~—The producer is required to obtain from the applicant for insurance a new business application in all cases except when the producer is transferring a book of business from one company to another and the acquiring company waives this requirement.~~
- ~~—If the Coverage is being replaced midterm, the producer must verify that there is no automobile insurance premium owed to the former company or producer.~~

DC. Transfer of Insurer

1. ~~The producer of record must provide information necessary for a company to~~ Progressive will transmit data to the Registry of Motor Vehicles for each vehicle insured.

In addition to reporting the necessary information to the company, the producer Progressive shall prepare an RMV-3 form, accompanied by the appropriate fee, for processing by the Registry of Motor Vehicles, if an insured requests a corrected registration certificate.
2. At the same time ~~this transfer information is released to the new carrier, the producer of record~~ Progressive must immediately issue to the insured a Verification of Insurance Form as proof of the issuance of the new policy. This form may be used by the insured to notify their former producer of record, ~~if known, or if not known, to the and/or former carrier, of the new policy.~~ a Notice of Transfer of Insurer form. The notice must be signed by the producer of record and certified by affixing the company stamp of the new carrier. If requested by the insured, Progressive will send the Verification of Insurance form to the former producer of record and/or the former carrier.
3. Upon receipt of ~~the notice of transfer of insurer, proof of the issuance of a new policy,~~ the former carrier shall:
 - a. ~~discontinue coverage as of the date shown as the effective date of the new policy on a Notice of Transfer of Insurer;~~

- b. compute the return premium, if any, as of the date shown as the effective date of the new policy on a Notice of Transfer of Insurer; and
- c. notify the former producer, if any, of the transfer of coverage.

No notice of cancellation is required.

~~**EXCEPTION** - Except for D-1 above, Section D of this Rule is not applicable to those specific instances when a producer transfers a block of business from one carrier to another. In such situations the producer should refer to the former carrier for specific procedures. No Notice of Transfer of Insurer is required, but the producer of record must provide the new carrier with information necessary for that carrier to transmit registration data to the Registry of Motor Vehicles.~~

ED. Cancellation (Other Than Transfer of Insurer)

1. Notice of cancellation must be given in a timely manner as required by Massachusetts law on a form approved by the Commissioner and shall include the specific reason(s) for cancellation.
2. The company must electronically notify the Registry of Motor Vehicles immediately upon the intended effective date of cancellation.

Refer to Rule 18.

RULE 28. PRIVATE PASSENGER CLASSIFICATIONS

A. Operators

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1. Assignment of Operators to Automobiles

a. Each operator listed on the policy shall be assigned to an automobile on the policy based on the operator's class and merit rating plan points in a manner which produces the highest Combined Premium (for Parts 1 and 5 for the operator's class and the operator's merit rating plan points) for each automobile. The operators shall be assigned in order of the highest Combined Premium applied to the automobile with highest Base Premium (for Parts 1 and 5) until all operators are assigned to an automobile, except that:

i. If an inexperienced operator is the principal operator of a specific automobile, the automobile shall be rated with the appropriate inexperienced principal operator class and merit rating plan points of that operator; and

ii. If an operator age 65 or over is the principal operator of a specific automobile and all operators listed on the policy have been licensed at least six years, the automobile shall be rated as Class 15 and that operator's merit rating plan points shall be applied. However, if more than one listed operator is age 65 or over, Class 15 and the merit rating plan points of such operators shall be applied in the manner which produces the highest Combined Premium.

~~iii. If an operator's class and merit rating plan points are rated on an automobile covered by another Massachusetts private passenger insurance policy, that operator shall be deferred from rating on the policy (Deferred Operator). If all operators listed on a policy are Deferred Operators, the operator producing the lowest Combined Premium shall be assigned to the automobile(s).~~

~~iiiv.~~ If only one operator is listed on the policy, all automobiles on the policy will be assigned the same principal operator classification and merit rating plan points.

iv. If each listed operator has been used in rating an automobile on the policy, any remaining automobiles shall be assigned the operator class and merit rating plan points which produces the lowest Combined Premium, unless the automobile is subject to rating as Class 30.

vi. If more than one operator is listed on the policy, an operator cannot be assigned as the principal operator of more than one automobile on the policy until the other operators (~~except Deferred Operators~~) are assigned to an automobile.

b. The assignment of operators to automobiles applies regardless of the number of policies ~~or insurers~~ involved.

c. An inexperienced operator in active military service with the Armed Forces of the United States of America shall not be considered an operator of the automobile unless such individual customarily operates the automobile.

d. Private passenger automobiles owned by clergy are to be classified as class 10 or 15 unless (a) Class 30 is required due to business use other than in connection with church use or (b) an inexperienced operator is listed on the policy.

2. Excluded Operator

If an operator who is a member of the household is to be excluded in rating a particular automobile to produce a lower premium charge, the policyholder must submit a signed statement that such operator does not and will not operate the automobile to be insured. The signed statement must be on the standard form approved by the Commissioner of Insurance, Operator Exclusion Form.

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3. Driving Experience

An operator new to Massachusetts must provide evidence of licensure from the state or country where the operator was previously licensed in order to assign the correct operator classification under this rule. If electronically available, the company will be responsible for obtaining the motor vehicle operator report from the other state or country. If necessary, a certified English translation may be required. No operator shall be assigned to Class 10 unless the operator has six or more years of driving experience.

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 - a. The course had the official approval of the State Department of Education or other responsible state agency, and was conducted by:
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Refer to the rate order calculation in Appendix A of this manual for application of the factor.

Refer to Table 21 of the rate factor pages in Appendix B of this manual for the applicable factors.