

RULE 11. PREMIUM CALCULATION RULE

Determination of the Manual Rate. For Parts 1 through 9 and Part 12 find the corresponding rate pages for the tier (see Rule 26) and territory that the policy and vehicle are in. Based on the class, limit, model year, and/or symbol find the appropriate manual rate for each Part. Adjust the manual rate for different deductible amounts applicable to Parts 7, 8 and 9 or for the waiver of deductible under Part 7. For Parts 10 and 11 the manual rates are found in the Miscellaneous Rates section.

1. Apply the appropriate rating factor under Rule 24 to the manual rate for Parts 7 and 9, if applicable.
2. Apply the appropriate rating factor under Rule 48 to the rate for Parts 7, 8 or 9, if applicable.
3. Apply the appropriate discount to the premium developed in Step 2. Refer to Rule 19 for a definition of the available discounts.

Parts 1 through 9 and Part 12 may be subject to more than one discount. In such case, the order of discounts shall be: (1) annual mileage, (2) multi-car, (3) passive restraint, (4) anti-theft, (5) account, (6) renewal, (7) student, (8) hybrid, (9) agency loyalty, (10) e-customer [or electronic book transfer discount](#) and (11) class 15. The discount shall be rounded to the nearest dollar after each application.

4. Apply the appropriate merit rating adjustment to the premium developed in step 3.

NOTE: A discount of the premiums paid for Parts 4 and 7 will be given to eligible policyholders who provide evidence of purchase of eleven monthly passes or tickets from a qualified public transit system during the policy period. Refer to Rule 19. The discount is applied to the premium developed in step 4.

RULE 19. DISCOUNTS

A. Multi-Car

A policyholder who owns two or more automobiles and purchases coverage from Safety for at least two such automobiles, shall be entitled to a 10% discount on premium applicable to Coverage Parts 1, 2, 4, 5, 7, 8 and 9. At least two of the automobiles must be private passenger vehicles as defined in Rule 27, except that vehicles classified as antiques are not eligible. The premium reduction applies only to private passenger vehicles as defined in Rule 27.

B. Public Transit

A discount of the premiums paid for Part 4 and Part 7 coverages will be given to eligible policyholders who provide evidence of purchase of eleven monthly passes or tickets from a qualifying mass transit system during the automobile policy period. Refer to the Miscellaneous Rating Factors page for the applicable discount.

1. Eligibility

The vehicle must be a private passenger vehicle as defined in Rule 27 and be classified as use class 10, 15, 17, 18, 20, 21, 25 or 26 for a minimum of eleven of twelve months of the policy year. In addition, the vehicle must not be driven to work or school ten days or more per month. A minimum of eight of the eleven monthly passes or tickets may be submitted, provided other evidence of purchase is submitted for the missing passes or tickets. The insurer shall collect all such passes and other evidence used by a policyholder to obtain the discount.

NOTE: If a policyholder purchases a pre-paid non-refundable annual pass and furnishes proof of such purchase, the discount will be applied to the current policy rather than the expiring policy.

2. Replaced Vehicles

The discount will be computed on the basis of combined earned premium for Parts 4 and 7 provided the replacement vehicle otherwise qualifies for the discount. If the insured changes insurance companies and replaces the vehicle at the same time, the second company will be responsible for the discount provided the policy has been in effect six months or more.

3. Application of Discount

~~Includes copyrighted material of Automobile Insurers Bureau~~

A discount will be applied to Part 4 and 7 premiums for each eligible vehicle. If there is only one eligible operator with more than one vehicle, the discount will be applied to the vehicle with the higher combined premium. If the policy insures only one vehicle, but there are two or more eligible operators, the discount shall be applied only once. If two or more vehicles and operators are eligible for discount, the discount shall first be applied to the vehicle which develops the highest combined premium for Parts 4 and 7, and then in descending order to the vehicle with the lowest combined premium.

This discount is fully earned and returnable directly to the policyholder unless the policyholder directs that the discount be applied as a credit to premium charges for a renewal policy or it is used to offset undisputed outstanding premium due the insurer. The maximum discount per eligible vehicle is \$75.

4. Qualifying Massachusetts Transit Systems

Refer to the Rate Section for a list of approved public transit systems.

5. The public transit discount shall be applied to the final premium as previously calculated and as previously adjusted by the applicable merit rating adjustment, including class 15.

C. Anti-Theft Device

Refer to Anti-Theft Devices Standards and Discounts Rule 54.

D. Class 15

Premiums otherwise applicable to class 10 automobiles shall be reduced by 25% for insureds age 65 or older. If the principal operator becomes age 65 during the policy year, the class 10 premium must be adjusted as of that date. The premium adjustment shall be credited to the policyholder on that date unless that date is within sixty days of the expiration date of the policy, in which case the adjustment may be credited to the renewal policy. A notice of this classification change must be sent to the policyholder either prior to or with the proposed adjustment. The policyholder is required to notify the company of any change in operator usage which would affect entitlement to the discount.

The 25% discount is applied to the final premium for each part after all other discounts and rating factors have been completed. It is the last step in the rating process prior to the application of the merit rating adjustment.

E. Annual Mileage Discount

A discount of the premium paid for Parts 1, 2, 3, 4, 5, 6, 7, 8 and 12 will be given to eligible policyholders on request, when the annual mileage of the vehicle falls into one of two categories. The discount will be based on the actual mileage driven in the previous policy year as determined by a comparison of two odometer readings, at least six months apart, from Registry of Motor Vehicle information or the Annual Mileage Discount Form and other standard automobile insurance forms available to the company. Refer to the Miscellaneous Rating Factors page for the applicable categories and discounts.

1. Eligibility

The vehicle must be a private passenger vehicle as defined in Rule 27, except that vehicles classified as Antiques are not eligible. The company may request that the applicant for the discount complete the Annual Mileage Discount Form for the verification of eligibility for the discount.

2. Verification

The company may use the odometer readings provided by the applicant on the Annual Mileage Discount Form or other standard forms available to the company, in order to verify the mileage driven in the past year. The company shall compute the annualized difference between the odometer reading at the time of application and the previous odometer reading to determine eligibility. If a vehicle replaces a vehicle which is receiving the discount, the annual mileage of the prior vehicle will be attributed to the replacement vehicle.

The company may use information from the Vehicle Inspection System of the Registry of Motor Vehicles to verify annual mileage. The difference in the two most recent odometer readings reported by the Registry, if at least six months apart, shall be annualized to determine eligibility for the discount. If the Registry reports only one reading, which is more than six months before the application for the discount, the applicant may provide a

current odometer reading on the Annual Mileage Discount Form, and the difference shall be annualized to determine eligibility.

If two odometer readings, at least six months apart, are not available to the company through the Registry of Motor Vehicles, the Annual Mileage Discount Form or other standard forms, the vehicle is not eligible for the annual mileage discount.

3. Application of Discount

The applicable discount applies to rates otherwise determined for each insured vehicle by coverage, limits purchased, territory, driver class, and model year and symbol prior to the application of the merit rating adjustment.

F. Passive Restraint Discount

A 25% discount of the premium paid for Parts 2, 3, 6 and 12 will be given to eligible policyholders for qualifying vehicles which contain approved occupant safety features. These features are: an airbag installed for either the driver's seating position or both front outboard designated seating positions or an automatic seatbelt installed for either the driver's seating positions or both front outboard designated seating positions.

G. Safety Account Credit

1. Safety Account Credit

A policyholder who purchases coverage from Safety for insurance* other than private passenger automobiles, motorcycles, antiques or miscellaneous types rated in this manual, shall be entitled to a 10% discount on the premium applicable to Coverage Parts 1-12.

*Qualifying purchase of insurance coverage with Safety policies includes:-
Businessowners, Commercial Auto, Commercial Package, Commercial Umbrella, Dwelling Fire, Homeowners (HO 02, HO 03, HO 04, HO 06), or Personal Umbrella.

2. Non-Safety Account Credit

A policyholder who purchases coverage from the FAIR Plan, Narragansett Bay Insurance or Barnstable County Mutual for insurance** other than private passenger automobiles, motorcycles, antiques or miscellaneous types rated in this manual, shall be entitled to a 5% discount on the premium applicable to Coverage Parts 1-12.

**Qualifying purchase of insurance coverage includes:
Homeowners (HO 02, HO 03, HO 04, HO 06), but does not include a Dwelling Fire only policy.

H. Renewal Credit

A policyholder who maintains continuous coverage and renews with Safety, shall be entitled to a renewal credit discount on premium applicable to Coverage Parts 1-12. Upon completion of each year of coverage, a renewal credit discount will apply based on the number of consecutive years insured with Safety as follows:

Number of Years of Consecutive Coverage	Credit
1 year	2%
2 years	3%
3 years	4%
4 years	5%
5 -6 years	6%
7-10 years	7%
11 or more years	8%

I. Student Discounts

These discounts will be given to eligible operators with less than 6 years driving experience in classes 17, 18, 20, 21, 25 or 26. The rated inexperienced operator must be a full time high school or post secondary student and must also have 4 or less merit rating points. These discounts apply to Parts 1-12 of the rated vehicle(s) that the student is assigned to.

Good Student Discount

The qualifications for a Good Student Discount are listed below:

1. The company is furnished a statement certified by a school official indicating that the rated inexperienced operator has met one of the following requirements for the immediately preceding school term:
 - a. ranked among the upper 20% of the class scholastically, or
 - b. in schools using letter grades, had a grade average of "B" or its equivalent or, if the system of letter grading cannot be averaged, no grade shall be below "B", or
 - c. in schools using numerical grade points, such as 4, 3, 2 and 1 points, had an average of at least 3 points for all subjects combined, or
 - d. was included on the "Dean's List", "Honor Roll" or comparable list indicating scholastic achievement.
 - e. In the case of home schooling, 2 options are given:
 - i. a standardized form certified by an approved 3rd party organization showing evidence that one of the qualifications listed above is satisfied or;
 - ii. evidence of scoring in the upper 20% on an annual national standardized exam.
2. The certified statement must be submitted:
 - a. when the good student discount is initially requested, and;
 - b. at renewal and thereafter at the company's discretion.

Exception: Any driver who qualifies when licensed more than 3 years, or who graduates from a college, university or accredited vocational technical school when licensed more than 3 years and qualifies as a good student, will continue to receive the Good Student Discount without further proof for as long as they remain a class 17, 18, 20, 21, 25, or 26 operator.

Away at School Discount

A full-time student that resides at an accredited educational institution at least 100 miles away and does not have regular access to a vehicle will receive a 10% discount.

Student Discount Summary		
Good Student	At Home	Away at School
No	0%	-10%
Yes	-10%	-20%

J. Hybrid Automobile Discount

A 10% discount for Parts 1-12 will apply to all Hybrid vehicles. A Hybrid vehicle is a vehicle that uses two or more distinct power sources to propel the vehicle.

K. Agency Loyalty Discount

A new policyholder to Safety who has three years of continuous prior insurance with an agency that represents Safety, and who has had no lapse in coverage on the New Business effective date of coverage with Safety, shall be entitled to a New Business Discount for Agency Loyalty.

A discount for Parts 1-12 will be given to policyholders that are qualified for a New Business Discount for Agency Loyalty. A 3% discount will apply for the first and second year insured with Safety.

L. e-Customer Discount and Electronic Book Transfer Discount

[Discounts will be given to eligible policyholders who participate in Electronic Policy Issuance or Electronic Book Transfers. The discounts apply to parts 1-12 on the Coverage Selections Page.](#)

~~Includes copyrighted material of Automobile Insurers Bureau~~

e-Customer Discount

An eligible policyholder who selects Combined Account Billing with Electronic Policy Issuance and qualifies under ~~section~~Section **G. 1.** for an Account Credit shall be entitled to a discount described below:

1. A first-time policyholder to Safety Insurance Group who **(A)** selects Combined Account Billing with Electronic Policy Issuance **on or before** the date their first policy is issued with Safety and **(B)** qualifies under ~~section~~Section **K** for New Business Discount for Agency Loyalty on the date of selection in **(A)** will be eligible for a 7% discount for the first year insured, and a 1% discount on subsequent renewals with Safety ~~for Parts 1-12.~~
2. All policyholders who select Combined Account Billing with Electronic Policy Issuance, but do not qualify as described in **(1.)** will be eligible for a 1% discount for ~~Parts 1-12~~the first year insured and a 1% discount on subsequent renewals with Safety.

Electronic Book Transfer Discount

An eligible policyholder who elects to move their policy from a non-Safety company into a Safety rating program and is not eligible for the e-Customer Discount on or before their first policy is issued with Safety shall be entitled to a discount described below:

1. A first-time policyholder to Safety Insurance Group who **(A)** elects to transfer their policy as part of an Electronic Book Transfer to Safety 30 days before the policy effective date and **(B)** qualifies under Section K for New Business Discount for Agency Loyalty on the date of transfer in **(A)** will be eligible for a 7% discount for the first year insured and a 1% discount on the first renewal with Safety.
2. All policyholders who elect to move their policy from a non-Safety company into a Safety rating program, but do not qualify as described in **(1.)** will be eligible for a 1% discount for the first year insured, and a 1% discount on the first renewal with Safety.

Any discounts developed in Rule 19 L. are in addition to discounts developed in other sections of ~~rule~~Rule 19.

RULE 20. MODEL YEAR RATING

A. Model Year Defined

The model year of an auto is used in rating physical damage coverage on an actual cash value basis.

The model year of the auto is the year assigned by the auto manufacturer. The model year of rebuilt or structurally altered autos is determined by the model year of the chassis.

B. Rating of Model Years Not Shown on Rate Pages

1. **1990 and Later Model Years:** Refer to the Miscellaneous Rating Factors section and apply the model year, symbol and coverage factor to the earliest model year \$500 deductible rate displayed in the Rate Section to obtain the actual cash value premium.
2. **1989 and Earlier Model Years:**
 - a. Refer to the Miscellaneous Rating Factors section and apply the earliest model year, symbol and coverage factor to the earliest model year \$500 deductible rate for the same symbol displayed in the Rate Section to obtain the actual cash value premium.
 - b. Apply the appropriate symbol factor shown below to the premium obtained in 2.a.:

Comprehensive				Collision			
Symbol	Factor	Symbol	Factor	Symbol	Factor	Symbol	Factor
1	.47	10	.74	1	.54	10	.78
2	.49	11	.81	2	.55	11	.85
3	.5	12	.9	3	.57	12	.81
4	.53	13	1.00	4	.59	13	1.00
5	.56	14	1.12	5	.62	14	1.1

~~Includes copyrighted material of Automobile Insurers Bureau~~

6	.59	15	1.25	6	.65	15	1.2
7	.63	16	1.4	7	.69	16	1.33
8	.68	17	1.58	8	.73	17	1.47

RULE 22. NON-SYMBOLLED VEHICLES AND RATING VEHICLES FOR WHICH SYMBOLS ARE NOT SHOWN ON THE RATE PAGES

A. Non-Symbolled Vehicles

1. For rating of newly announced models for which no symbol is shown, use the symbol of the latest corresponding model which is shown until announcement is made.
2. For rating of other vehicles which have no prior corresponding model, determine the appropriate symbol based on the FOB List Price or Purchase Price, whichever is higher, from the following table:

Symbol	Model Years 1980 & Prior	Model Years 1981-1989	Model Years 1990 & Subsequent
1	0- 1600	0- 1600	0- 6500
2	1601- 2100	1601- 2100	6501- 8000
3	2101- 2750	2101- 2750	8001- 9000
4	2751- 3700	2751- 3700	9001-10000
5	3701- 5000	3701- 5000	10001-11250
6	5001- 6500	5001- 6500	11251-12500
7	6501- 8000	6501- 8000	12501-13750
8	8001-10000	8001-10000	13751-15000
10	10001-12500	10001-12500	15001-16250
11	12501-15000	12501-15000	16251-17500
12	15001-17500	15001-17500	17501-18750
13	17501-20000	17501-20000	18751-20000
14	20001 & above	20001-24000	20001-22000
15		24001-28000	22001-24000
16		28001-33000	24001-26000
17		33001-39000	26001-28000
18		39001-46000	28001-30000
19		46001-55000	30001-33000
20		55001-65000	33001-36000
21		65001 & above	36001-40000
22			40001-45000
23			45001-50000
24			50001-60000
25			60001-70000
26			70001-80000
27			80001 & above

3. Stated or Agreed Amount

If an automobile is appraised for stated or agreed amount coverage, the appraised value must be used to determine the symbol.

For model years 1980 and prior, with values of \$20,001 and above, the auto must be rated on a Stated Amount Basis in accordance with Rule 41. The insurer has the option to waive the requirement of obtaining an appraisal as required under Rule 41.

4. Equipment: Vans and Pick-ups

Except with respect to the coverage provided under Rule 47 for custom furnishings or custom equipment, the cost of any equipment installed in or upon a pick-up or van shall be added to the FOB List Price, Purchase Price or Appraisal Value in determining the applicable symbol.

B. Rating Vehicles with Symbols 18 and Above

For model years 1981 and after, to determine the actual cash value premium for vehicle symbols 18 and above, apply the following factors to the manual rate (for the appropriate Part) shown for Symbol 17 and the applicable territory, class, and model year, before discounts are applied (before step 1 in Rule 11):

Symbol	Model Year 1989 & Prior	Model Year 1990 & Subsequent
18	1.14	1.07
19	1.28	1.13
20	1.41	1.21
21	1.55	1.3
22		1.39
23		1.47
24		1.61
25		1.75
26		1.88
27		*

*Determine the actual cash value premium for Symbol 27 vehicles by:

- a) Increasing the factor for Symbol 26 by +.15 for each \$10,000 or portion of \$10,000 above \$80,000 of the FOB List Price or Purchase Price, whichever is higher.

~~b) b)~~ Applying this factor to the manual rate (for the appropriate Part) shown in the Rate Pages for Symbol 17 and the applicable territory, class and model year, before discounts are applied (before step 1 in Rule 11).

RULE 26. TIER PLACEMENT GUIDELINES

A. Overview

Tier assignment is on a policy level. The tier factors shown in the chart below are built into the rate pages and apply to all coverage parts and all vehicle types. To determine which unique tier a policy belongs to first determine if they are a Companion Policy Client, then (if needed) a Loyal Automobile Client according to the qualifications specified in the Tier Description section (Rule 26.B.). If they do not qualify for either, they will be rated as a New Insurance Client. To determine rates consult the rate pages that correspond to the tier determined by these rules.

In cases where the rate pages do not specify the rate for a specific tier (such as stated amount rates) apply the tier factor in the chart to the base rate and round to the same precision as the original base rate to determine the new base rate. Follow the normal calculation procedures with this new base rate.

B. Tier Description

a. Companion Policy Client

Policy qualifies for the **Safety Account Credit** (Rule 19. G. ~~1.~~). Account Credit is a policy holder who purchases coverage from Safety for insurance other than private passenger automobiles, motorcycles, antiques or miscellaneous type rated in this manual.

b. Loyal Automobile Client

1. Insured with Safety for two or more years and qualifies for the corresponding Renewal Credit (Rule 19.H.) or,
2. Qualifies for the **New Business Discount for Agency Loyalty** (Rule 19.K.); a new policyholder to Safety who has three years of continuous prior insurance with an agency that represents Safety, and who has no lapse in coverage on the new business effective date of coverage with Safety, and
3. Not eligible for Companion Policy Client Tier.

c. New Insurance Client

Not eligible for Companion Policy Client Tier or Loyal Automobile Client Tier.

Tier Name	Companion Policy Client	Loyal Automobile Client	New Insurance Client
Requirements	Qualifies for the Account Credit	2 or more years with Safety Or Qualifies for Agency Loyalty Discount	Does not qualify for Companion Policy or Loyal Automobile Client Tiers
Factor	0.975	1.000	1.025

RULE 60. AUTO LOAN/LEASE GAP COVERAGE

In the event of a covered Total Loss to ~~your~~ the selected vehicle (indicated on the Coverage Selections Page), we will pay any unpaid amount due on the lease or loan for ~~your~~ that vehicle. ~~Some~~

Auto Loan/Lease Gap Coverage may only be provided on a vehicle that is a private passenger auto, pick-up or van as defined in Rule 27, except that motor homes, camper bodies and antiques are not eligible. The insured must request that this coverage be added within 45 days of leasing or financing a new vehicle. A new vehicle is defined as one which is 5 model years old or less.

This coverage may also be written in the case of a vehicle written on a new business policy with Safety, when the vehicle had Auto Loan/Lease coverage with the prior carrier and the risk meets Safety's guidelines stated above.

Please refer to conditions ~~apply.~~ ~~For an~~ within form SLL 002. An additional premium of \$25 ~~add form SLL 002 on a~~ per vehicle ~~basis~~ applies.

SAFETY INSURANCE GROUP MASSACHUSETTS PERSONAL AUTO MANUAL

Miscellaneous Rating Factors

DEDUCTIBLES (RULE 16)				
	<u>\$1,000*</u>	<u>\$2,000*</u>	<u>\$100**</u> <u>Glass</u>	
Deductibles:				
Collision:	.63	.48	Not Applicable	
Limited Collision:	.54	.32	Not Applicable	
Comprehensive:	.75	.67	.84	
*Charges based on \$500 Deductible Premium		\$300 Deductible - \$10		
**Applies to otherwise determined premium		\$500 Deductible - \$13		
Collision Waiver of Deductible Charges:		\$1,000 Deductible - \$16		
		\$2,000 Deductible - \$25		
SUBSTITUTE TRANSPORTATION (RULE 17)				
	<u>\$15/Day, \$450</u> <u>Maximum</u>	<u>\$30/Day, \$900</u> <u>Maximum</u>	<u>\$45/Day, \$1,350</u> <u>Maximum</u>	<u>\$100/Day, \$3,000</u> <u>Maximum</u>
Companion Policy Client				
Private Passenger:	\$12	\$59	\$137	\$278
Motorcycle:	\$44	\$88	\$163	\$337
Loyal Automobile Client				
Private Passenger:	\$12	\$60	\$140	\$285
Motorcycle:	\$45	\$90	\$167	\$346
New Insurance Client				
Private Passenger:	\$12	\$62	\$144	\$292
Motorcycle:	\$46	\$92	\$171	\$355
DISCOUNTS (RULE 19)				
Multi-Car:	10% Parts 1, 2, 4, 5, 7, 8 and 9			
Safety Account Credit:	10% Parts 1-12			
Renewal Credit:	2% - 8% Parts 1-12 based on # of renewal years with Safety			
Public Transit:	10% Property Damage and Collision \$75 Maximum per eligible vehicle			
Annual Mileage:	0-5,000 miles - 10% Parts 1-8 and 12 5,001-7,500 miles - 5% Parts 1-8 and 12			
Passive Restraint:	25% Parts 2, 3, 6 and 12			
Good Student Discount/Away at School:	10% or 20% Parts 1-12			
Hybrid Automobile Discount:	10% Parts 1-12			
Agency Loyalty Discount	1 st year with Safety - 3% Parts 1-12 2 nd year with Safety - 3% Parts 1-12			
e-Customer Discount	New business with Safety - 7% Parts 1-12 All other cases -1% Parts 1-12; <u>or</u>			
<u>Electronic Book Transfer Discount</u>	<u>New business with Safety - 7% Parts 1-12</u> <u>All other cases -1% new business and 1st renewal Parts 1-12</u>			

RULE 11. PREMIUM CALCULATION RULE

Determination of the Manual Rate. For Parts 1 through 9 and Part 12 find the corresponding rate pages for the tier (see Rule 26) and territory that the policy and vehicle are in. Based on the class, limit, model year, and/or symbol find the appropriate manual rate for each Part. Adjust the manual rate for different deductible amounts applicable to Parts 7, 8 and 9 or for the waiver of deductible under Part 7. For Parts 10 and 11 the manual rates are found in the Miscellaneous Rates section.

1. Apply the appropriate rating factor under Rule 24 to the manual rate for Parts 7 and 9, if applicable.
2. Apply the appropriate rating factor under Rule 48 to the rate for Parts 7, 8 or 9, if applicable.
3. Apply the appropriate discount to the premium developed in Step 2. Refer to Rule 19 for a definition of the available discounts.

Parts 1 through 9 and Part 12 may be subject to more than one discount. In such case, the order of discounts shall be: (1) annual mileage, (2) multi-car, (3) passive restraint, (4) anti-theft, (5) account, (6) renewal, (7) student, (8) hybrid, (9) agency loyalty, (10) e-customer or electronic book transfer discount and (11) class 15. The discount shall be rounded to the nearest dollar after each application.

4. Apply the appropriate merit rating adjustment to the premium developed in step 3.

NOTE: A discount of the premiums paid for Parts 4 and 7 will be given to eligible policyholders who provide evidence of purchase of eleven monthly passes or tickets from a qualified public transit system during the policy period. Refer to Rule 19. The discount is applied to the premium developed in step 4.

RULE 19. DISCOUNTS

A. Multi-Car

A policyholder who owns two or more automobiles and purchases coverage from Safety for at least two such automobiles, shall be entitled to a 10% discount on premium applicable to Coverage Parts 1, 2, 4, 5, 7, 8 and 9. At least two of the automobiles must be private passenger vehicles as defined in Rule 27, except that vehicles classified as antiques are not eligible. The premium reduction applies only to private passenger vehicles as defined in Rule 27.

B. Public Transit

A discount of the premiums paid for Part 4 and Part 7 coverages will be given to eligible policyholders who provide evidence of purchase of eleven monthly passes or tickets from a qualifying mass transit system during the automobile policy period. Refer to the Miscellaneous Rating Factors page for the applicable discount.

1. Eligibility

The vehicle must be a private passenger vehicle as defined in Rule 27 and be classified as use class 10, 15, 17, 18, 20, 21, 25 or 26 for a minimum of eleven or twelve months of the policy year. In addition, the vehicle must not be driven to work or school ten days or more per month. A minimum of eight of the eleven monthly passes or tickets may be submitted, provided other evidence of purchase is submitted for the missing passes or tickets. The insurer shall collect all such passes and other evidence used by a policyholder to obtain the discount.

NOTE: If a policyholder purchases a pre-paid non-refundable annual pass and furnishes proof of such purchase, the discount will be applied to the current policy rather than the expiring policy.

2. Replaced Vehicles

The discount will be computed on the basis of combined earned premium for Parts 4 and 7 provided the replacement vehicle otherwise qualifies for the discount. If the insured changes insurance companies and replaces the vehicle at the same time, the second company will be responsible for the discount provided the policy has been in effect six months or more.

3. Application of Discount

A discount will be applied to Part 4 and 7 premiums for each eligible vehicle. If there is only one eligible operator with more than one vehicle, the discount will be applied to the vehicle with the higher combined premium. If the policy insures only one vehicle, but there are two or more eligible operators, the discount shall be applied only once. If two or more vehicles and operators are eligible for discount, the discount shall first be applied to the

vehicle which develops the highest combined premium for Parts 4 and 7, and then in descending order to the vehicle with the lowest combined premium.

This discount is fully earned and returnable directly to the policyholder unless the policyholder directs that the discount be applied as a credit to premium charges for a renewal policy or it is used to offset undisputed outstanding premium due the insurer. The maximum discount per eligible vehicle is \$75.

4. Qualifying Massachusetts Transit Systems

Refer to the Rate Section for a list of approved public transit systems.

5. The public transit discount shall be applied to the final premium as previously calculated and as previously adjusted by the applicable merit rating adjustment, including class 15.

C. Anti-Theft Device

Refer to Anti-Theft Devices Standards and Discounts Rule 54.

D. Class 15

Premiums otherwise applicable to class 10 automobiles shall be reduced by 25% for insureds age 65 or older. If the principal operator becomes age 65 during the policy year, the class 10 premium must be adjusted as of that date. The premium adjustment shall be credited to the policyholder on that date unless that date is within sixty days of the expiration date of the policy, in which case the adjustment may be credited to the renewal policy. A notice of this classification change must be sent to the policyholder either prior to or with the proposed adjustment. The policyholder is required to notify the company of any change in operator usage which would affect entitlement to the discount.

The 25% discount is applied to the final premium for each part after all other discounts and rating factors have been completed. It is the last step in the rating process prior to the application of the merit rating adjustment.

E. Annual Mileage Discount

A discount of the premium paid for Parts 1, 2, 3, 4, 5, 6, 7, 8 and 12 will be given to eligible policyholders on request, when the annual mileage of the vehicle falls into one of two categories. The discount will be based on the actual mileage driven in the previous policy year as determined by a comparison of two odometer readings, at least six months apart, from Registry of Motor Vehicle information or the Annual Mileage Discount Form and other standard automobile insurance forms available to the company. Refer to the Miscellaneous Rating Factors page for the applicable categories and discounts.

1. Eligibility

The vehicle must be a private passenger vehicle as defined in Rule 27, except that vehicles classified as Antiques are not eligible. The company may request that the applicant for the discount complete the Annual Mileage Discount Form for the verification of eligibility for the discount.

2. Verification

The company may use the odometer readings provided by the applicant on the Annual Mileage Discount Form or other standard forms available to the company, in order to verify the mileage driven in the past year. The company shall compute the annualized difference between the odometer reading at the time of application and the previous odometer reading to determine eligibility. If a vehicle replaces a vehicle which is receiving the discount, the annual mileage of the prior vehicle will be attributed to the replacement vehicle.

The company may use information from the Vehicle Inspection System of the Registry of Motor Vehicles to verify annual mileage. The difference in the two most recent odometer readings reported by the Registry, if at least six months apart, shall be annualized to determine eligibility for the discount. If the Registry reports only one reading, which is more than six months before the application for the discount, the applicant may provide a current odometer reading on the Annual Mileage Discount Form, and the difference shall be annualized to determine eligibility.

If two odometer readings, at least six months apart, are not available to the company through the Registry of Motor Vehicles, the Annual Mileage Discount Form or other standard forms, the vehicle is not eligible for the annual mileage discount.

3. Application of Discount

The applicable discount applies to rates otherwise determined for each insured vehicle by coverage, limits purchased, territory, driver class, and model year and symbol prior to the application of the merit rating adjustment.

F. Passive Restraint Discount

A 25% discount of the premium paid for Parts 2, 3, 6 and 12 will be given to eligible policyholders for qualifying vehicles which contain approved occupant safety features. These features are: an airbag installed for either the driver's seating position or both front outboard designated seating positions or an automatic seatbelt installed for either the driver's seating positions or both front outboard designated seating positions.

G. Safety Account Credit

1. Safety Account Credit

A policyholder who purchases coverage from Safety for insurance* other than private passenger automobiles, motorcycles, antiques or miscellaneous types rated in this manual, shall be entitled to a 10% discount on the premium applicable to Coverage Parts 1-12.

*Qualifying purchase of insurance coverage with Safety policies includes: Businessowners, Commercial Auto, Commercial Package, Commercial Umbrella, Dwelling Fire, Homeowners (HO 02, HO 03, HO 04, HO 06), or Personal Umbrella.

2. Non-Safety Account Credit

A policyholder who purchases coverage from the FAIR Plan, Narragansett Bay Insurance or Barnstable County Mutual for insurance** other than private passenger automobiles, motorcycles, antiques or miscellaneous types rated in this manual, shall be entitled to a 5% discount on the premium applicable to Coverage Parts 1-12.

**Qualifying purchase of insurance coverage includes: Homeowners (HO 02, HO 03, HO 04, HO 06), but does not include a Dwelling Fire only policy.

H. Renewal Credit

A policyholder who maintains continuous coverage and renews with Safety, shall be entitled to a renewal credit discount on premium applicable to Coverage Parts 1-12. Upon completion of each year of coverage, a renewal credit discount will apply based on the number of consecutive years insured with Safety as follows:

Number of Years of Consecutive Coverage	Credit
1 year	2%
2 years	3%
3 years	4%
4 years	5%
5 -6 years	6%
7-10 years	7%
11 or more years	8%

I. Student Discounts

These discounts will be given to eligible operators with less than 6 years driving experience in classes 17, 18, 20, 21, 25 or 26. The rated inexperienced operator must be a full time high school or post secondary student and must also have 4 or less merit rating points. These discounts apply to Parts 1-12 of the rated vehicle(s) that the student is assigned to.

Good Student Discount

The qualifications for a Good Student Discount are listed below:

1. The company is furnished a statement certified by a school official indicating that the rated inexperienced operator has met one of the following requirements for the immediately preceding school term:
 - a. ranked among the upper 20% of the class scholastically, or
 - b. in schools using letter grades, had a grade average of "B" or its equivalent or, if the system of letter grading cannot be averaged, no grade shall be below "B", or
 - c. in schools using numerical grade points, such as 4, 3, 2 and 1 points, had an average of at least 3 points for all subjects combined, or
 - d. was included on the "Dean's List", "Honor Roll" or comparable list indicating scholastic achievement.

- e. In the case of home schooling, 2 options are given:
 - i. a standardized form certified by an approved 3rd party organization showing evidence that one of the qualifications listed above is satisfied or;
 - ii. evidence of scoring in the upper 20% on an annual national standardized exam.
- 2. The certified statement must be submitted:
 - a. when the good student discount is initially requested, and;
 - b. at renewal and thereafter at the company's discretion.

Exception: Any driver who qualifies when licensed more than 3 years, or who graduates from a college, university or accredited vocational technical school when licensed more than 3 years and qualifies as a good student, will continue to receive the Good Student Discount without further proof for as long as they remain a class 17, 18, 20, 21, 25, or 26 operator.

Away at School Discount

A full-time student that resides at an accredited educational institution at least 100 miles away and does not have regular access to a vehicle will receive a 10% discount.

Student Discount Summary		
Good Student	At Home	Away at School
No	0%	-10%
Yes	-10%	-20%

J. Hybrid Automobile Discount

A 10% discount for Parts 1-12 will apply to all Hybrid vehicles. A Hybrid vehicle is a vehicle that uses two or more distinct power sources to propel the vehicle.

K. Agency Loyalty Discount

A new policyholder to Safety who has three years of continuous prior insurance with an agency that represents Safety, and who has had no lapse in coverage on the New Business effective date of coverage with Safety, shall be entitled to a New Business Discount for Agency Loyalty.

A discount for Parts 1-12 will be given to policyholders that are qualified for a New Business Discount for Agency Loyalty. A 3% discount will apply for the first and second year insured with Safety.

L. e-Customer Discount and Electronic Book Transfer Discount

Discounts will be given to eligible policyholders who participate in Electronic Policy Issuance or Electronic Book Transfers. The discounts apply to parts 1-12 on the Coverage Selections Page.

e-Customer Discount

An eligible policyholder who selects Combined Account Billing with Electronic Policy Issuance and qualifies under Section **G. 1.** for an Account Credit shall be entitled to a discount described below:

1. A first-time policyholder to Safety Insurance Group who **(A)** selects Combined Account Billing with Electronic Policy Issuance **on** or **before** the date their first policy is issued with Safety and **(B)** qualifies under Section **K** for New Business Discount for Agency Loyalty on the date of selection in **(A)** will be eligible for a 7% discount for the first year insured, and a 1% discount on subsequent renewals with Safety.
2. All policyholders who select Combined Account Billing with Electronic Policy Issuance, but do not qualify as described in **(1.)** will be eligible for a 1% discount for the first year insured and a 1% discount on subsequent renewals with Safety.

Electronic Book Transfer Discount

An eligible policyholder who elects to move their policy from a non-Safety company into a Safety rating program and is not eligible for the e-Customer Discount on or before their first policy is issued with Safety shall be entitled to a discount described below:

1. A first-time policyholder to Safety Insurance Group who **(A)** elects to transfer their policy as part of an Electronic Book Transfer to Safety 30 days before the policy effective date and **(B)** qualifies under

Section K for New Business Discount for Agency Loyalty on the date of transfer in (A) will be eligible for a 7% discount for the first year insured and a 1% discount on the first renewal with Safety.

2. All policyholders who elect to move their policy from a non-Safety company into a Safety rating program, but do not qualify as described in (1.) will be eligible for a 1% discount for the first year insured, and a 1% discount on the first renewal with Safety.

Any discounts developed in Rule 19 L. are in addition to discounts developed in other sections of Rule 19.

RULE 20. MODEL YEAR RATING

A. Model Year Defined

The model year of an auto is used in rating physical damage coverage on an actual cash value basis.

The model year of the auto is the year assigned by the auto manufacturer. The model year of rebuilt or structurally altered autos is determined by the model year of the chassis.

B. Rating of Model Years Not Shown on Rate Pages

1. **1990 and Later Model Years:** Refer to the Miscellaneous Rating Factors section and apply the model year, symbol and coverage factor to the earliest model year \$500 deductible rate displayed in the Rate Section to obtain the actual cash value premium.
2. **1989 and Earlier Model Years:**
 - a. Refer to the Miscellaneous Rating Factors section and apply the earliest model year, symbol and coverage factor to the earliest model year \$500 deductible rate for the same symbol displayed in the Rate Section to obtain the actual cash value premium.
 - b. Apply the appropriate symbol factor shown below to the premium obtained in 2.a.:

Comprehensive				Collision			
Symbol	Factor	Symbol	Factor	Symbol	Factor	Symbol	Factor
1	.47	10	.74	1	.54	10	.78
2	.49	11	.81	2	.55	11	.85
3	.5	12	.9	3	.57	12	.81
4	.53	13	1.00	4	.59	13	1.00
5	.56	14	1.12	5	.62	14	1.1
6	.59	15	1.25	6	.65	15	1.2
7	.63	16	1.4	7	.69	16	1.33
8	.68	17	1.58	8	.73	17	1.47

RULE 22. NON-SYMBOLLED VEHICLES AND RATING VEHICLES FOR WHICH SYMBOLS ARE NOT SHOWN ON THE RATE PAGES

A. Non-Symbolled Vehicles

1. For rating of newly announced models for which no symbol is shown, use the symbol of the latest corresponding model which is shown until announcement is made.
2. For rating of other vehicles which have no prior corresponding model, determine the appropriate symbol based on the FOB List Price or Purchase Price, whichever is higher, from the following table:

Symbol	Model Years 1980 & Prior	Model Years 1981-1989	Model Years 1990 & Subsequent
1	0- 1600	0- 1600	0- 6500
2	1601- 2100	1601- 2100	6501- 8000
3	2101- 2750	2101- 2750	8001- 9000
4	2751- 3700	2751- 3700	9001-10000
5	3701- 5000	3701- 5000	10001-11250
6	5001- 6500	5001- 6500	11251-12500
7	6501- 8000	6501- 8000	12501-13750
8	8001-10000	8001-10000	13751-15000
10	10001-12500	10001-12500	15001-16250
11	12501-15000	12501-15000	16251-17500

12	15001-17500	15001-17500	17501-18750
13	17501-20000	17501-20000	18751-20000
14	20001 & above	20001-24000	20001-22000
15		24001-28000	22001-24000
16		28001-33000	24001-26000
17		33001-39000	26001-28000
18		39001-46000	28001-30000
19		46001-55000	30001-33000
20		55001-65000	33001-36000
21		65001 & above	36001-40000
22			40001-45000
23			45001-50000
24			50001-60000
25			60001-70000
26			70001-80000
27			80001 & above

3. Stated or Agreed Amount

If an automobile is appraised for stated or agreed amount coverage, the appraised value must be used to determine the symbol.

For model years 1980 and prior, with values of \$20,001 and above, the auto must be rated on a Stated Amount Basis in accordance with Rule 41. The insurer has the option to waive the requirement of obtaining an appraisal as required under Rule 41.

4. Equipment: Vans and Pick-ups

Except with respect to the coverage provided under Rule 47 for custom furnishings or custom equipment, the cost of any equipment installed in or upon a pick-up or van shall be added to the FOB List Price, Purchase Price or Appraisal Value in determining the applicable symbol.

B. Rating Vehicles with Symbols 18 and Above

For model years 1981 and after, to determine the actual cash value premium for vehicle symbols 18 and above, apply the following factors to the manual rate (for the appropriate Part) shown for Symbol 17 and the applicable territory, class, and model year, before discounts are applied (before step 1 in Rule 11):

Symbol	Model Year 1989 & Prior	Model Year 1990 & Subsequent
18	1.14	1.07
19	1.28	1.13
20	1.41	1.21
21	1.55	1.3
22		1.39
23		1.47
24		1.61
25		1.75
26		1.88
27		*

*Determine the actual cash value premium for Symbol 27 vehicles by:

- a) Increasing the factor for Symbol 26 by +.15 for each \$10,000 or portion of \$10,000 above \$80,000 of the FOB List Price or Purchase Price, whichever is higher.
- b) Applying this factor to the manual rate (for the appropriate Part) shown in the Rate Pages for Symbol 17 and the applicable territory, class and model year, before discounts are applied (before step 1 in Rule 11).

RULE 26. TIER PLACEMENT GUIDELINES

A. Overview

Tier assignment is on a policy level. The tier factors shown in the chart below are built into the rate pages and apply to all coverage parts and all vehicle types. To determine which unique tier a policy belongs to first determine if they are a Companion Policy Client, then (if needed) a Loyal Automobile Client according to the qualifications specified in the Tier Description section (Rule 26.B.). If they do not qualify for either, they will be rated as a New Insurance Client. To determine rates consult the rate pages that correspond to the tier determined by these rules.

In cases where the rate pages do not specify the rate for a specific tier (such as stated amount rates) apply the tier factor in the chart to the base rate and round to the same precision as the original base rate to determine the new base rate. Follow the normal calculation procedures with this new base rate.

B. Tier Description

a. Companion Policy Client

Policy qualifies for the **Safety Account Credit** (Rule 19. G.1.). Account Credit is a policy holder who purchases coverage from Safety for insurance other than private passenger automobiles, motorcycles, antiques or miscellaneous type rated in this manual.

b. Loyal Automobile Client

1. Insured with Safety for two or more years and qualifies for the corresponding Renewal Credit (Rule 19.H.) or,
2. Qualifies for the **New Business Discount for Agency Loyalty** (Rule 19.K.); a new policyholder to Safety who has three years of continuous prior insurance with an agency that represents Safety, and who has no lapse in coverage on the new business effective date of coverage with Safety, and
3. Not eligible for Companion Policy Client Tier.

c. New Insurance Client

Not eligible for Companion Policy Client Tier or Loyal Automobile Client Tier.

Tier Name	Companion Policy Client	Loyal Automobile Client	New Insurance Client
Requirements	Qualifies for the Account Credit	2 or more years with Safety Or Qualifies for Agency Loyalty Discount	Does not qualify for Companion Policy or Loyal Automobile Client Tiers
Factor	0.975	1.000	1.025

RULE 60. AUTO LOAN/LEASE GAP COVERAGE

In the event of a covered Total Loss to the selected vehicle (indicated on the Coverage Selections Page), we will pay any unpaid amount due on the lease or loan for that vehicle.

Auto Loan/Lease Gap Coverage may only be provided on a vehicle that is a private passenger auto, pick-up or van as defined in Rule 27, except that motor homes, camper bodies and antiques are not eligible. The insured must request that this coverage be added within 45 days of leasing or financing a new vehicle. A new vehicle is defined as one which is 5 model years old or less.

This coverage may also be written in the case of a vehicle written on a new business policy with Safety, when the vehicle had Auto Loan/Lease coverage with the prior carrier and the risk meets Safety's guidelines stated above.

Please refer to conditions within form SLL 002. An additional premium of \$25 per vehicle applies.

SAFETY INSURANCE GROUP MASSACHUSETTS PERSONAL AUTO MANUAL

Miscellaneous Rating Factors

DEDUCTIBLES (RULE 16)				
	<u>\$1,000*</u>	<u>\$2,000*</u>	<u>\$100**</u> <u>Glass</u>	
Deductibles:				
Collision:	.63	.48	Not Applicable	
Limited Collision:	.54	.32	Not Applicable	
Comprehensive:	.75	.67	.84	
*Charges based on \$500 Deductible Premium		\$300 Deductible - \$10		
**Applies to otherwise determined premium		\$500 Deductible - \$13		
Collision Waiver of Deductible Charges:		\$1,000 Deductible - \$16		
		\$2,000 Deductible - \$25		
SUBSTITUTE TRANSPORTATION (RULE 17)				
	<u>\$15/Day, \$450</u> <u>Maximum</u>	<u>\$30/Day, \$900</u> <u>Maximum</u>	<u>\$45/Day, \$1,350</u> <u>Maximum</u>	<u>\$100/Day, \$3,000</u> <u>Maximum</u>
Companion Policy Client				
Private Passenger:	\$12	\$59	\$137	\$278
Motorcycle:	\$44	\$88	\$163	\$337
Loyal Automobile Client				
Private Passenger:	\$12	\$60	\$140	\$285
Motorcycle:	\$45	\$90	\$167	\$346
New Insurance Client				
Private Passenger:	\$12	\$62	\$144	\$292
Motorcycle:	\$46	\$92	\$171	\$355
DISCOUNTS (RULE 19)				
Multi-Car:	10% Parts 1, 2, 4, 5, 7, 8 and 9			
Safety Account Credit:	10% Parts 1-12			
Renewal Credit:	2% - 8% Parts 1-12 based on # of renewal years with Safety			
Public Transit:	10% Property Damage and Collision \$75 Maximum per eligible vehicle			
Annual Mileage:	0-5,000 miles - 10% Parts 1-8 and 12 5,001-7,500 miles - 5% Parts 1-8 and 12			
Passive Restraint:	25% Parts 2, 3, 6 and 12			
Good Student Discount/Away at School:	10% or 20% Parts 1-12			
Hybrid Automobile Discount:	10% Parts 1-12			
Agency Loyalty Discount	1 st year with Safety - 3% Parts 1-12 2 nd year with Safety - 3% Parts 1-12			
e-Customer Discount	New business with Safety - 7% Parts 1-12 All other cases -1% Parts 1-12; or			
Electronic Book Transfer Discount	New business with Safety - 7% Parts 1-12 All other cases -1% new business and 1 st renewal Parts 1-12			