

RULE 11. PREMIUM CALCULATION RULE

The following sequence shall be used in rating the policy. The manual rate includes any premium adjustment as may be necessary to increase, reduce or eliminate the deductible amount applicable to Parts 7, 8 and 9, or to apply Waiver of Deductible under Part 7.

1. Apply the appropriate rating factor under Rule 48 to the rate for Parts 7, 8 or 9, if applicable.
2. Apply the appropriate discount(s) to the premium developed in Step 1. 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, and (3) class 15. The discount shall be rounded to the nearest dollar after each application.

3. Add the appropriate merit rating adjustment to the premium developed in step 2.

RULE 19. DISCOUNTS

A. Multi-Car

A policyholder who owns two or more automobiles and purchases coverage from the same company for at least two such automobiles, shall be entitled to a reduction of the 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. Refer to Miscellaneous Rating Factors page for applicable discount.

B. Class 15

Premiums otherwise applicable to class 10 automobiles shall be reduced by 25% for insureds age 65 or older. 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 plan.

C. 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 plan.

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. **2011 and Later Model Years:** Refer to the Miscellaneous Rating Factors section and apply the applicable model year and symbol factors by coverage to the \$500 deductible rate shown in the Rate Section to obtain the actual cash value premium.
2. **1990 - 2010 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.
3. **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	.24	10	.68	1	.29	10	.71
2	.28	11	.77	2	.32	11	.80
3	.32	12	.88	3	.36	12	.89
4	.36	13	1.00	4	.41	13	1.00
5	.41	14	1.14	5	.46	14	1.12
6	.46	15	1.29	6	.51	15	1.25
7	.53	16	1.47	7	.57	16	1.40
8	.60	17	1.67	8	.64	17	1.57

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B. Anti-Theft Device

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

~~C.~~ Class 15

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2. **1990 and Later- 2010 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.
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STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY

Auto Cost Containment

State Farm continues to support extensive initiatives that encourage driver safety, safer vehicles and roads, fight insurance fraud, assure quality and cost-effective medical services delivery and vehicle repairs, and maintain efficiency while providing quality service. The following lists some of these efforts:

1. Supporting the Insurance Institute for Highway Safety and the Highway Loss Data Institute, research organizations devoted to reducing human and economic loss from vehicle crashes.
2. Working with The Children's Hospital of Philadelphia to research the number one killer of teens – automobile crashes – with a goal of developing effective, evidence based interventions aimed at saving young lives.
3. Presenting sponsor of Mothers Against Drunk Driving (MADD) Power of You(th) programs and activities. Their goals are to empower teens to take a stand against drinking under age 21 in their schools, homes, and communities, to educate teens about the importance of the 21 minimum drinking age law, and to engage new and life-long supporters to carry on MADD's life-saving work.
4. Providing grants to the Governors' Highway Safety Association (GHSA) to produce a series of reports aimed at bringing awareness to various auto safety issues. These topics are selected based on the expressed needs of state highway safety offices. In 2016 the report was on the topic of drowsy driving, in 2017 it was pedestrian safety, and in 2018 the report will address state issues with regard to automated vehicles. The reports identify best practices and offer recommendations that can be implemented at the state level.
5. Researching factors that contribute to child and adolescent injuries and fatalities in crashes through the support of The Center for Child Injury Prevention Studies, a National Science Foundation Industry-University Cooperative Research Center.
6. Supporting the Inter-Industry Conference on Auto Collision Repairs, by implementing both steel and aluminum welding certification requirements for members of our Select Service program which will promote safe, efficient repairs for customers seeking collision repair services.
7. Working in conjunction with the Advocates for Highway and Auto Safety, the National Safety Council and others to promote enhanced transportation legislation on key issues such as primary restraint laws. We also promoted Graduated Driver Licensing programs, other laws designed to control chemically-impaired driving and other auto safety issues..
8. Supporting the Insurance Research Council, an organization that conducts research on a broad range of insurance topics.
9. Supporting the National Insurance Crime Bureau (NICB), an organization that fights insurance fraud and vehicle theft. NICB looks for patterns of potential fraud and theft and assists law enforcement in solving insurance crimes and helps insurance companies reduce fraudulent claims.
10. Supporting state and federal legislation to address auto theft and fraud, including support for state anti-fraud bureaus.
11. Initiating civil litigation against allegedly unscrupulous medical providers and others to stop the submission of/recover payments made on non-meritorious claims.
12. Working with Safe Kids Worldwide® who administers the standardized National Child Passenger Safety (CPS) Certification program. Safe Kid's mission is to prevent accidental

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childhood injury, a leading killer of children 14 and under, and they offer grants and scholarships to facilitate community Car Seat Technician training classes. Through State Farm sponsorship, there are more certified CPS technicians available across the country, particularly in underserved and high-risk populations.

13. Advocating National Teen Driver Safety Week to promote the importance of teen driver safety issues.
14. Providing evidenced-based safety programs to the public to assist novice drivers as they learn to drive.
15. Informing auto manufacturers about the implications of vehicle design on the repair process and costs. Also, informing auto manufacturers about how incorporating damage and theft-resistance elements into the design helps manage repair costs.
16. Building a relationship with the University of Michigan Mobility Transformation Center (MTC) and their Mcity Test Facility. As a member of its Leadership Circle, State Farm works with this collaborative group to advance connected and automated mobility. The MTC's stated vision is "to develop the foundations of a commercially viable ecosystem of connected and automated vehicles for moving people and goods. Such a system has the potential to dramatically improve safety, sustainability, and accessibility."
17. Helping State Farm claims representatives identify crash damage due to defective auto parts. The internal Claims Research Auto Support Hotline (CRASH) provides a method for tracking auto trends that may influence automakers to take action on defective parts and issue automobile recalls. This effort also supports increased subrogation recoveries.
18. Effectively managing expenses by purchasing data processing and office equipment through a competitive bidding process.
19. Reviewing and reorganizing corporate and operations center departments in the ongoing effort to streamline processes, promote process consistency, eliminate duplication and provide continued quality service.
20. Providing convenient, cost effective, 24 hour service 365 days a year through our Customer Response Centers.
21. Using the Internet and mobile technology to efficiently communicate with both current and prospective policyholders.
22. Annually conducting a media outreach communicating the magnitude of damage produced each year in the United States by deer-vehicle collisions and offering tips on how drivers can improve their chances of avoiding such collisions.
23. Supporting emergency responder training by donating salvage vehicles for temporary use.
24. Supporting the National Auto Body Council (NABC), a not-for-profit organization committed to the goal of improving the image of all dedicated collision industry professionals. Continue to donate vehicles to families in need through the Recycled Rides™ Program and fire department training through the First Responders Emergency Extrication Program.
25. Supporting the Collision Industry Conference (CIC), a forum where collision industry stakeholders come together to discuss issues, build broad understanding, find common ground and communicate findings and possible solutions broadly to industry participants.

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26. Conducting and communicating annual research of teens and adults regarding distracted driving with emphasis on the use of electronic devices while driving.
27. State Farm agents continue delivering a Teen Driver Safety Interactive Presentation in high school classroom settings. The interactive presentation offers a way to connect with a local teen audience and features several videos packaged in an easy-to-use format. Agents can modify their presentation as needed based on the audience and time constraints.
28. Continuing the Steer Clear Safe Driver Discount, a program that reinforces safe driving behavior among young drivers by providing a safe driving pledge, trip logs, safety tips and informative videos. Drivers under age 25 who complete Steer Clear may be eligible for a discount on their auto insurance.
29. Maintaining the Teen Driver Safety website which delivers the following suite of tools, along with many other resources and articles about safe driving: Road Trips® is an interactive, online program that gives parents the support they need to create practice driving plans, log progress and increase communication with their teen about safe driving habits; and Road Aware® is a web-based training tool that helps teens to anticipate potential hazards while driving.
30. Partnering with select state departments of transportation to sponsor Safety or Assist Patrols. These vehicles patrol public highways in order to manage incident congestion and provide limited roadside assistance for motorists, such as a tire change, fixing minor mechanical problems, and removing debris from the road.
31. Continuing the usage-based auto insurance program Drive Safe & Save™ the focus is on the customer, providing the industry's most accessible and advanced user-based insurance (UBI) program for drivers who prefer more control over their auto insurance savings.
32. Supporting the American Driver and Traffic Safety Education Association (ADTSEA) advocacy efforts to improve driver safety education. This group holds conferences and seminars, provides consultant services and develops educational materials. As a Corporate Member of ADTSEA, State Farm promotes a variety of safe driving messages and programs to teachers, administrators and teens.
33. Supporting the Lifesaver Conference which provides a forum that delivers relevant and timely common-sense solutions to today's critical highway safety problems. Attendees include leaders at the forefront of research, education, regulation and technology in the auto safety community.
34. Partnering with Students Against Destructive Decisions (SADD) to support their youth leaders and adult advisors through the SADD Speaks program, workshops, motivational speakers, advocacy training programs and their National Student Leadership Council.
35. Working with the Center for Auto Safety to support improving the safety, reliability and efficiency of motor vehicles, to reduce the casualty and economic toll of crashes on the nation's highways, and to reduce the economic cost of owning and operating a motor vehicle.
36. Conducting and communicating research aimed at better understanding consumer perspectives on advanced vehicle technology and autonomous vehicles.
37. Implemented estimate review technology from CCC and Audatex which will ensure more accurate estimates are being prepared for customers.