

RULE 11. PREMIUM CALCULATION RULE

The rates shown on the rate pages are for limits of \$20,000/\$40,000 (Parts 1, 3, 5 and 12) or \$5,000 (Part 4 and 6). The charge for increased limits is determined by applying the factors shown in the Increased Limits Tables, as modified by the MAIP Capping Factor (MCF), to the base premium as described below.

The following sequence of steps shall be used in rating the policy for Private Passenger Vehicles (including vehicles listed in rules 32, 41, 45, 47):

1. Calculate the sum of Basic Limits Premium for Part 1, Part 2, Part 3 and Part 4, as well as Part 5 if purchased as described in sections 5-9 below. In this step, both MCF and ILF shall be set to equal 1.00 wherever they appear. In addition, the premium adjustments described in sections 5h-j, 6h-j, 8h-j, and 9h-j are not applied.
2. Calculate the sum of Basic Limits MAIP Rate Premium for Part 1, Part 2, Part 3 and Part 4 as well as Part 5 if purchased, in accordance with the MAIP Rate Plan and rules effective 10/1/2013.
3. When a vehicle is rated for the Basic Coverage Package of: 20/40 bodily injury liability (including guest and outof-state coverage), \$8,000 personal injury protection, \$5,000 property damage liability, and 20/40 uninsured motorist coverage, calculate MCF, equal to the Ratio of the Premium calculated in Step #2 to that calculated in Step #1. Set MCF equal to 1.00 for all other vehicles, or if any of the following conditions apply:

- The calculated ratio, MCF, is greater than 1.00,
 - The insured does not qualify for the Low Frequency Discount in the MAIP Rating Plan
 - The insured does not qualify for the Continuous Coverage Discount in the MAIP Rating Plan
4. When a vehicle is added to the policy as a replacement for another vehicle effective on the same date using the replacement vehicle functionality, and the replaced vehicle's premium had been decreased as prescribed in 5(h),6(h), 8(h), 9(h), 11(h), or increased as prescribed in 5(i), 6(i), 8(i), 9(i), 11(i), then the premium of the replacing vehicle will be decreased or increased, by the same ratio for each relevant part as was the replaced vehicle

5. For Part 1

- a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply the MCF factor to the previous number.
- c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
- d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- f. If the result of step e. is less than the Part 1 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
- g. Apply the Age 65 or Older discount factor if appropriate
- h. For any vehicle on a renewing policy, if the result of step g. exceeds 110% of the Part 1 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 97.5% of the Part 1 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where $MCF < 1.0$).
- j. Apply the modified cap factor if appropriate.

6. For Part 2

- a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply a factor equal to $MCF \times [1 - \text{PIP Deductible Factor}]$ to the previous number.
- c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, PIP Symbol Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
- d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- f. If the result of step e. is less than the Part 2 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
- g. Apply the Age 65 or Older discount factor if appropriate
- h. For any vehicle on a renewing policy, if the result of step g. exceeds 110% of the Part 2 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 97.5% of the Part 2 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where $MCF < 1.0$).
- j. Apply the modified cap factor if appropriate.

7. For Part 3

- a. Apply a factor equal to $[MCF + \text{Part 3 ILF} - 1]$ to the base rate shown in the Rate Pages section.
- b. Apply Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

8. For Part 4

- a. apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply a factor equal to $[MCF + \text{Part 4 ILF} - 1]$ to the previous number.

- c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
 - d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
 - e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
 - f. If the result of step e. is less than the Part 4 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
 - g. Apply the Age 65 or older discount factor if appropriate
 - h. For any vehicle on a renewing policy, if the result of step g. exceeds 110% of the Part 4 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
 - i. For any vehicle on a renewing policy, if the result of step g. is less than 97.5% of the Part 4 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where $MCF < 1.0$).
 - j. Apply the modified cap factor if appropriate.
9. For Part 5
- a. Apply a factor equal to $[MCF + \text{Part 5 ILF} - 1]$ to the Part 5 base rate as shown in the Rate Pages section..
 - b. Apply a factor equal to $[\text{Part 5 ILF} - 1]$ to the Part 1 base rate as shown in the Rate Pages section.
 - c. Apply the appropriate Tier Factor as determined in rule 29 to the sum of the numbers calculated in steps a. and b.
 - d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 19 discount factors except the Age 65 or older discount factor to the previous number.
 - e. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
 - f. If the result of step e. is less than the Part 5 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
 - g. Apply the Age 65 or Older discount factor if appropriate
 - h. For any vehicle on a renewing policy, if the result of step g. exceeds 110% of the Part 5 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
 - i. For any vehicle on a renewing policy, if the result of step g. is less than 97.5% of the Part 5 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where $MCF < 1.0$).
 - j. Apply the modified cap factor if appropriate.
10. For Part 6
- a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
 - b. Apply the Part 6 ILF factor to the previous number.
 - c. Apply the PIP Symbol Factor, Transfer Pricing Factor, and all appropriate Rule 19 discount factors to the previous number.
11. For Parts 7 – 8 – 9
- a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
 - b. Apply the appropriate Model Year/Symbol factor to the previous number.
 - c. Apply the appropriate deductible factor under Rule 16, if applicable.
 - d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
 - e. For Parts 7 and 9 only, apply the appropriate Merit Rating Plan adjustment factor to the previous number.
 - f. If the result of step e. is less than the Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
 - g. Apply the Age 65 or Older discount factor if appropriate
 - h. For any vehicle on a renewing policy, if the result of step g. exceeds 110% of the premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
 - i. For any vehicle on a renewing policy, if the result of step g. is less than 97.5% of the premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount.
 - j. Apply the modified cap factor if appropriate.
12. For Part 10
- a. Apply the appropriate Part 10 base rate shown in the Miscellaneous Rating Factors section.
 - b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.
13. For Part 11
- a. Apply the appropriate Part 11 base rate shown in the Miscellaneous Rating Factors section.
 - b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.
14. For Part 12
- a. Apply the Transfer Pricing Factor and Part 12 ILF factor to the base rate shown in the Rate Pages section.
 - b. Apply all appropriate Rule 19 discount factors to the previous number.

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1. Calculate the sum of Basic Limits Premium for Part 1, Part 2, Part 3 and Part 4, as well as Part 5 if purchased as described in sections 45-89 below. In this step, both MCF and ILF shall be set to equal 1.00 wherever they appear. In addition, the premium adjustments described in sections 54h-j, 65h-j, 87h-j, and 98h-j are not applied.
2. Calculate the sum of Basic Limits MAIP Rate Premium for Part 1, Part 2, Part 3 and Part 4 as well as Part 5 if purchased, in accordance with the MAIP Rate Plan and rules effective 10/1/2012³.
3. When a vehicle is rated for the Basic Coverage Package of: 20/40 bodily injury liability (including guest and out-of-state coverage), \$8,000 personal injury protection, \$5,000 property damage liability, and 20/40 uninsured motorist coverage, calculate MCF, equal to the Ratio of the Premium calculated in Step #2 to that calculated in Step #1. Set MCF equal to 1.00 for all other vehicles, or if any of the following conditions apply:

- The calculated ratio, MCF, is greater than 1.00,
- The insured does not qualify for the Low Frequency Discount in the MAIP Rating Plan
- The insured does not qualify for the Continuous Coverage Discount in the MAIP Rating Plan

4. When a vehicle is added to the policy as a replacement for another vehicle effective on the same date using the replacement vehicle functionality, and the replaced vehicle's premium had been decreased as prescribed in 5(h), 6(h), 8(h), 9(h), 11(h), or increased as prescribed in 5(i), 6(i), 8(i), 9(i), 11(i), then the premium of the replacing vehicle will be decreased or increased, by the same ratio for each relevant part as was the replaced vehicle

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45. For Part 1

- a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply the MCF factor to the previous number.
- c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
- d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- f. If the result of step e. is less than the Part 1 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
- g. Apply the Age 65 or Older discount factor if appropriate
- h. For any vehicle on a renewing policy, if the result of step g. exceeds 110% of the Part 1 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 97.5% of the Part 1 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where $MCF < 1.0$).
- j. Apply the modified cap factor if appropriate.

56. For Part 2

- a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply a factor equal to $MCF \times [1 - \text{PIP Deductible Factor}]$ to the previous number.
- c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, PIP Symbol Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
- d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- f. If the result of step e. is less than the Part 2 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
- g. Apply the Age 65 or Older discount factor if appropriate
- h. For any vehicle on a renewing policy, if the result of step g. exceeds 110% of the Part 2 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 97.5% of the Part 2 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where $MCF < 1.0$).
- j. Apply the modified cap factor if appropriate.

67. For Part 3

- a. Apply a factor equal to $[MCF + \text{Part 3 ILF} - 1]$ to the base rate shown in the Rate Pages section.
- b. Apply Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

78. For Part 4

- a. apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply a factor equal to $[MCF + Part\ 4\ ILF - 1]$ to the previous number.
- c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
- d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- f. If the result of step e. is less than the Part 4 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
- g. Apply the Age 65 or older discount factor if appropriate
- h. For any vehicle on a renewing policy, if the result of step g. exceeds 110% of the Part 4 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 97.5% of the Part 4 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where $MCF < 1.0$).
- j. Apply the modified cap factor if appropriate.

89. For Part 5

- a. Apply a factor equal to $[MCF + Part\ 5\ ILF - 1]$ to the Part 5 base rate as shown in the Rate Pages section..
- b. Apply a factor equal to $[Part\ 5\ ILF - 1]$ to the Part 1 base rate as shown in the Rate Pages section.
- c. Apply the appropriate Tier Factor as determined in rule 29 to the sum of the numbers calculated in steps a. and b.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 19 discount factors except the Age 65 or older discount factor to the previous number.
- e. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- f. If the result of step e. is less than the Part 5 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
- g. Apply the Age 65 or Older discount factor if appropriate
- h. For any vehicle on a renewing policy, if the result of step g. exceeds 110% of the Part 5 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 97.5% of the Part 5 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where $MCF < 1.0$).
- j. Apply the modified cap factor if appropriate.

910. For Part 6

- a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply the Part 6 ILF factor to the previous number.
- c. Apply the PIP Symbol Factor, Transfer Pricing Factor, and all appropriate Rule 19 discount factors to the previous number.

4011. For Parts 7 – 8 – 9

- a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply the appropriate Model Year/Symbol factor to the previous number.
- c. Apply the appropriate deductible factor under Rule 16, if applicable.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
- e. For Parts 7 and 9 only, apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- f. If the result of step e. is less than the Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
- g. Apply the Age 65 or Older discount factor if appropriate
- h. For any vehicle on a renewing policy, if the result of step g. exceeds 110% of the premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
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- j. Apply the modified cap factor if appropriate.

4412. For Part 10

- a. Apply the appropriate Part 10 base rate shown in the Miscellaneous Rating Factors section.
- b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

4213. For Part 11

- a. Apply the appropriate Part 11 base rate shown in the Miscellaneous Rating Factors section.
- b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

| ~~43~~14. For Part 12

- a. Apply the Transfer Pricing Factor and Part 12 ILF factor to the base rate shown in the Rate Pages section.
- b. Apply all appropriate Rule 19 discount factors to the previous number.

RULE 26. MILEAGE BAND RATING

The premium for Parts 1, 2, 4, 5, 7, 8 and 9 will be adjusted for eligible policyholders based on the ratio of the vehicle's average annualized mileage to a base mileage for each vehicle's applicable Usage Group, Road Density Region, and DV Group. For new policies or newly added vehicles, only the annualized mileage for the most recent year will be used. Refer to the Rate Pages for the Mileage groupings, base mileages, and rating factors.

1. Eligibility

The vehicle must be a private passenger vehicle as defined in Rule 27, except that vehicles classified as Antiques are not eligible.

2. Calculation

The company shall use the odometer readings associated with the Vehicle Inspection System of the Registry of Motor Vehicles to calculate an annualized mileage for the most recent year. The mileage is computed based on the difference between the most recent odometer reading at the time of application and an odometer reading which is at least six months prior to the most recent one. The company will determine the average annualized mileage using the annualized mileage from the policy term that immediately precedes the current term along with the annualized mileage from the current term.

Additionally, Plymouth Rock may accept other verifications of mileage, submitted with a form provided by the company, including, but not limited to:

- Service receipts showing the service date and mileage
- Visual inspection by the agent

If a vehicle is added to the policy as a replacement for another vehicle effective on the same date, using the replacement vehicle functionality, and the replaced vehicle was subject to Mileage Band Rating, the annualized mileage of the replaced vehicle will be attributed to the replacement vehicle.

If the calculated annualized mileage is 500 miles or less or 50,000 miles or greater, the vehicle will be rated as though annualized mileage was unable to be calculated for the policy term.

The ratio of the vehicle's average annualized mileage to the mileage base for that vehicle's Usage Group, Road Density Region, and DV Group is then used to determine the appropriate Mileage Relativity Group as defined in the Rate Pages.

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2. Calculation

The company shall use the odometer readings associated with the Vehicle Inspection System of the Registry of Motor Vehicles to calculate an annualized mileage for the most recent year. The mileage is computed based on the difference between the most recent odometer reading at the time of application and an odometer reading which is at least six months prior to the most recent one. The company will determine the average annualized mileage using the annualized mileage from the policy term that immediately precedes the current term along with the annualized mileage from the current term.

Additionally, Plymouth Rock may accept other verifications of mileage, submitted with a form provided by the company, including, but not limited to:

- Service receipts showing the service date and mileage
- Visual inspection by the agent

If a vehicle is added to the policy as a replacement for another vehicle effective on the same date, using the replacement vehicle functionality, and the replaced vehicle was subject to Mileage Band Rating, the annualized mileage of the replaced vehicle will be attributed to the replacement vehicle.

~~If a vehicle replaces a vehicle which is subject to Mileage Band Rating, the annual mileage of the prior vehicle will be attributed to the replacement vehicle.~~

If the calculated annualized mileage is 500 miles or less or 50,000 miles or greater, the vehicle will be rated as though annualized mileage was unable to be calculated for the policy term.

The ratio of the vehicle's average annualized mileage to the mileage base for that vehicle's Usage Group, Road Density Region, and DV Group is then used to determine the appropriate Mileage Relativity Group as defined in the Rate Pages.

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2. Calculate the sum of Basic Limits MAIP Rate Premium for Part 1, Part 2, Part 3 and Part 4 as well as Part 5 if purchased, in accordance with the MAIP Rate Plan and rules effective 10/1/2012³.
3. When a vehicle is rated for the Basic Coverage Package of: 20/40 bodily injury liability (including guest and out-of-state coverage), \$8,000 personal injury protection, \$5,000 property damage liability, and 20/40 uninsured motorist coverage, calculate MCF, equal to the Ratio of the Premium calculated in Step #2 to that calculated in Step #1. Set MCF equal to 1.00 for all other vehicles, or if any of the following conditions apply:

- The calculated ratio, MCF, is greater than 1.00,
- The insured does not qualify for the Low Frequency Discount in the MAIP Rating Plan
- The insured does not qualify for the Continuous Coverage Discount in the MAIP Rating Plan

4. When a vehicle is added to the policy as a replacement for another vehicle effective on the same date using the replacement vehicle functionality, and the replaced vehicle's premium had been decreased as prescribed in 5(h), 6(h), 8(h), 9(h), 11(h), or increased as prescribed in 5(i), 6(i), 8(i), 9(i), 11(i), then the premium of the replacing vehicle will be decreased or increased, by the same ratio for each relevant part as was the replaced vehicle

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- b. Apply the MCF factor to the previous number.
- c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
- d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- f. If the result of step e. is less than the Part 1 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
- g. Apply the Age 65 or Older discount factor if appropriate
- h. For any vehicle on a renewing policy, if the result of step g. exceeds 110% of the Part 1 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 97.5% of the Part 1 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where $MCF < 1.0$).
- j. Apply the modified cap factor if appropriate.

56. For Part 2

- a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply a factor equal to $MCF \times [1 - \text{PIP Deductible Factor}]$ to the previous number.
- c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, PIP Symbol Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
- d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- f. If the result of step e. is less than the Part 2 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
- g. Apply the Age 65 or Older discount factor if appropriate
- h. For any vehicle on a renewing policy, if the result of step g. exceeds 110% of the Part 2 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 97.5% of the Part 2 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where $MCF < 1.0$).
- j. Apply the modified cap factor if appropriate.

67. For Part 3

- a. Apply a factor equal to $[MCF + \text{Part 3 ILF} - 1]$ to the base rate shown in the Rate Pages section.
- b. Apply Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

78. For Part 4

- a. apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply a factor equal to $[MCF + Part\ 4\ ILF - 1]$ to the previous number.
- c. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
- d. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- e. Add the product of MCF and the appropriate Residual Market Premium, as listed in the Rate Pages section, to the previous number.
- f. If the result of step e. is less than the Part 4 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
- g. Apply the Age 65 or older discount factor if appropriate
- h. For any vehicle on a renewing policy, if the result of step g. exceeds 110% of the Part 4 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 97.5% of the Part 4 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where $MCF < 1.0$).
- j. Apply the modified cap factor if appropriate.

89. For Part 5

- a. Apply a factor equal to $[MCF + Part\ 5\ ILF - 1]$ to the Part 5 base rate as shown in the Rate Pages section..
- b. Apply a factor equal to $[Part\ 5\ ILF - 1]$ to the Part 1 base rate as shown in the Rate Pages section.
- c. Apply the appropriate Tier Factor as determined in rule 29 to the sum of the numbers calculated in steps a. and b.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, Liability Symbol Factor, and all Rule 19 discount factors except the Age 65 or older discount factor to the previous number.
- e. Apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- f. If the result of step e. is less than the Part 5 Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
- g. Apply the Age 65 or Older discount factor if appropriate
- h. For any vehicle on a renewing policy, if the result of step g. exceeds 110% of the Part 5 premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 97.5% of the Part 5 premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount. However, this increase is not made for vehicles to which the MAIP Rate Premium cap has been applied (i.e. where $MCF < 1.0$).
- j. Apply the modified cap factor if appropriate.

910. For Part 6

- a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply the Part 6 ILF factor to the previous number.
- c. Apply the PIP Symbol Factor, Transfer Pricing Factor, and all appropriate Rule 19 discount factors to the previous number.

4011. For Parts 7 – 8 – 9

- a. Apply the appropriate Tier Factor as determined in rule 29 to the base rate shown in the Rate Pages section.
- b. Apply the appropriate Model Year/Symbol factor to the previous number.
- c. Apply the appropriate deductible factor under Rule 16, if applicable.
- d. Apply the Mileage Band Factor, Driving Experience Group Factor, Tenure with Prior Carrier Factor, Transfer Pricing Factor, and all Rule 19 discount factors except the Age 65 or Older discount factor to the previous number.
- e. For Parts 7 and 9 only, apply the appropriate Merit Rating Plan adjustment factor to the previous number.
- f. If the result of step e. is less than the Minimum Premium listed in the Rate Pages section, substitute the Minimum Premium for the result of step e.
- g. Apply the Age 65 or Older discount factor if appropriate
- h. For any vehicle on a renewing policy, if the result of step g. exceeds 110% of the premium that would have applied to the same risk 12 months prior to the effective date of the policy, reduce the premium to the latter amount.
- i. For any vehicle on a renewing policy, if the result of step g. is less than 97.5% of the premium that would have applied to the same risk 12 months prior to the effective date of the policy, increase the premium to the latter amount.
- j. Apply the modified cap factor if appropriate.

4412. For Part 10

- a. Apply the appropriate Part 10 base rate shown in the Miscellaneous Rating Factors section.
- b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

4213. For Part 11

- a. Apply the appropriate Part 11 base rate shown in the Miscellaneous Rating Factors section.
- b. Apply the Transfer Pricing Factor and all appropriate Rule 19 discount factors to the previous number.

| ~~4314~~. For Part 12

- a. Apply the Transfer Pricing Factor and Part 12 ILF factor to the base rate shown in the Rate Pages section.
- b. Apply all appropriate Rule 19 discount factors to the previous number.

RULE 26. MILEAGE BAND RATING

The premium for Parts 1, 2, 4, 5, 7, 8 and 9 will be adjusted for eligible policyholders based on the ratio of the vehicle's average annualized mileage to a base mileage for each vehicle's applicable Usage Group, Road Density Region, and DV Group. For new policies or newly added vehicles, only the annualized mileage for the most recent year will be used. Refer to the Rate Pages for the Mileage groupings, base mileages, and rating factors.

1. Eligibility

The vehicle must be a private passenger vehicle as defined in Rule 27, except that vehicles classified as Antiques are not eligible.

2. Calculation

The company shall use the odometer readings associated with the Vehicle Inspection System of the Registry of Motor Vehicles to calculate an annualized mileage for the most recent year. The mileage is computed based on the difference between the most recent odometer reading at the time of application and an odometer reading which is at least six months prior to the most recent one. The company will determine the average annualized mileage using the annualized mileage from the policy term that immediately precedes the current term along with the annualized mileage from the current term.

Additionally, Plymouth Rock may accept other verifications of mileage, submitted with a form provided by the company, including, but not limited to:

- Service receipts showing the service date and mileage
- Visual inspection by the agent

If a vehicle is added to the policy as a replacement for another vehicle effective on the same date, using the replacement vehicle functionality, and the replaced vehicle was subject to Mileage Band Rating, the annualized mileage of the replaced vehicle will be attributed to the replacement vehicle.

~~If a vehicle replaces a vehicle which is subject to Mileage Band Rating, the annual mileage of the prior vehicle will be attributed to the replacement vehicle.~~

If the calculated annualized mileage is 500 miles or less or 50,000 miles or greater, the vehicle will be rated as though annualized mileage was unable to be calculated for the policy term.

The ratio of the vehicle's average annualized mileage to the mileage base for that vehicle's Usage Group, Road Density Region, and DV Group is then used to determine the appropriate Mileage Relativity Group as defined in the Rate Pages.

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