

2006 SAFE DRIVER INSURANCE PLAN

The Safe Driver Insurance Plan (SDIP) is the point-based system that lowers premiums for drivers with clean driving records, and increases premiums for drivers with traffic violations and at-fault accidents. Drivers receive surcharge points for violations and at-fault accidents that occurred within the 6 years immediately preceding the effective date of policy.

Operator SDIP Points and Credits – Replaces Operator SDIP step

The Merit rating board will report the total number of surcharge points from 00 through 45; the value of “99” to indicate the Excellent Driver Discount Plus (6- year credit); or the Value of “98” to indicate the Excellent Driver Discount (5- Year credit).

Calculation of the Total Number of Surcharge Points for an Operator

The total number of Surcharge Points for an operator is the sum of the surcharge points of the surchargeable incidents in the 6- year Policy Experience Period.

Excellent Driver Discount Plus (6- Year Credit)

The MRB will assign the 6 year credit code (99) to an operator if all the following are true:

1. The operator has 6 years of driving experience and
2. The operator has no surchargeable incidents in the 6 year Policy Experience Period (the 6 years immediately preceding the Policy Effective Date).

Excellent Driver Discount: (5- Year Credit)

The MRB will assign the 5 year credit code (98) to an operator if all of the following are true:

1. The operator is not eligible for the Excellent Driver Discount Plus 6- year credit,
2. The operator has at least 5 years of driving experience, and

3. The operator has no surchargeable incidents in the 5 years immediately preceding the Policy Effective Date.

Excellent Driver Discount: 5- Year Credit with One Incident

The MRB will assign the 5 year credit code (98) to an operator with one incident if all the following are true:

1. The operator has at least 5 years of driving experience,
2. The operator has exactly one surchargeable incident in the 6 year Policy Experience Period (the 6 years immediately preceding the Policy Effective Date)
3. This one surchargeable incident is a minor traffic law violation with a disposition of non criminal, and
4. This one surchargeable incident has a surcharge date at least 3 years before the Policy Effective Date.

Surchargeable Incident Classification

The number of Surcharge points assigned to each surchargeable incident in the 6- year Policy Experience Period is as follows:

• Minor Traffic Law Violation	2 Points
• Minor At – Fault Accident	3 Points
• Major At – Fault Accident	4 Points
• Major Traffic Law Violation	5 Points

A claim payment for Bodily Injury Liability, Damage to Someone else’s property, Collision or Limited collision of at least \$500 and up to \$2,000 constitutes a minor at – fault accident. A claim payment of more than \$2,000 constitutes a major at fault accident. An “at fault” accident is one in which the company determines that the listed operator is more than 50% at fault.

Surcharge Points for incidents in the Sixth (oldest) Year

The value of Surcharge Points is set to (0) for any surchargeable incidents in the sixth (oldest) year of the Policy Experience Period.

First Minor Traffic Law Violation in 5 Yrs

The value of Surcharge Points is set to zero (0) for the first minor traffic law violation in the 5 years immediately preceding the Policy Effective Date as determined by the Surcharge Date if it is the first traffic law violation in the 5 year period and the disposition of the violation was non-criminal under M.G.L. c. 90C.

Surcharge Points for a multiple Surcharged Incident

If an operator has two or more surchargeable incidents, all of which arose from the same incident, The MRB shall assign Surcharge Points to the surchargeable incident with the greatest number of Surcharge Points and shall assign zero (0) Surcharge Points to the remaining surchargeable incidents.

Surcharge Points Reduced by 1 (Aging of a Surchargeable incident)

The value of Surcharge Points for each surchargeable incident is reduced by one (1) if all the following are true:

1. The operator has three (3) or fewer surchargeable incidents in the 5 years immediately preceding the Policy Effective Date,
2. the most recent Surcharge date is at least 3 years before the Policy Effective Date,
3. the operator has at least 3 years of driving experience, and
4. Any out of state incidents in the 5 years immediately preceding the Policy Effective Date have been reported to the MRB.

In no event shall Surcharge Points of any incident be reduced below zero (0)

Out of State Driving Experience

After an operators driving record is transferred to Massachusetts, out of state surchargeable incidents will be used comparably to Massachusetts surchargeable incidents for purposes of the Safe Driver Insurance Plan.

Operator Surchargeable Incident Count

The number of surchargeable incidents (incident count) is used to determine eligibility for the Excellent Driver Discount with one incident and the eligibility for aging of surchargeable incidents.

Each surchargeable incident is counted as follows:

1. Traffic Citation. Each traffic citation with one or more violations is counted as one surchargeable incident if at least one violation is a surchargeable violation. Two separate traffic citations that occur on the same date and in the same location are counted as two surchargeable incidents if at least one violation on each citation is a surchargeable violation. A traffic citation is counted as a separate incident even if it is assigned zero points because it occurs on the same incident date and in the same location as an at fault accident.
2. At fault accident. Each at fault accident is counted as a surchargeable incident. An at fault accident is counted as a separate incident even if it is assigned zero points because it occurs on the same incident date and in the same location as a major traffic violation.
3. Out of State Incidents. Each out of state incident is counted as a surchargeable incident

Revoked and Invalid License

An operator with a revoked license or an invalid license is assumed to have zero (0) years driving experience and therefore is not eligible for the Excellent Driver Discount Plus, the Excellent Driver Discount, or for aging of surchargeable incidents.

Claims Under Bodily Injury Liability Coverage

A Bodily Injury Liability claim resulting from an at fault accident that occurred on or after 01/01/2006 must be reported to the MRB if the loss amount in excess of any deductible exceeds \$500 and there is neither a surchargeable Property Damage Liability claim nor a surchargeable Collision claim as a result of the same at fault accident.