

## RATE SECTION

### Memorandum

The rates shown on the rate sheets are the liability and physical damage rates filed by the Commonwealth Automobile Reinsurers for the Massachusetts private passenger automobile residual market.

The same rates apply under a Personal Auto Policy on a risk for which compulsory coverage is not required. For bodily injury charge the total of the Parts 1, 2 and 5 premiums for risks subject to the compulsory law.

The bodily injury increased limits factors shown in this manual are to be applied against the Part 1 and Part 5, basic limits, premium in determining the increased limits premium. Increased limits factors are not applicable to Part 2.

The basic limits rates shown on the rate pages are for \$20,000/\$40,000 bodily injury (Parts 1 and 5) and \$5,000 property damage (Part 4). The charge for bodily injury increased limits is determined by applying the factors shown on the Increased Limits Tables to the total of the adjusted Part 1 premium and Part 5 basic limits premium and then subtracting the adjusted Part 1 premium as follows:

$$\text{Part 5} = (\text{Part 1} + \text{Part 5 } (\$20/40)) \times \text{Increased Limits Factor} - \text{Part 1}$$

The private passenger rate pages display liability rates for various classes at selected limits. For most risks, the premium can be determined directly from the rate pages.

As of 4/1/2010, a continuous coverage discount and low frequency discount are now available. Please refer to Rule 19 for additional information regarding these discounts. Also, please note that the public transit discount has been eliminated from Rule 19.

For motor vehicle symbol determination, refer to the Symbol and Identification section of the 2009 AIB Massachusetts Private Passenger Automobile Insurance Manual. Symbols for Model Year 2011 should be developed in accordance with the provisions of Rule 22.

Changes have been made to modify the rating procedure for physical damage, effective June 1, 2010, to replace the use of motorcycle value with cost new and the application of an age rate factor. The motorcycle physical damage rate pages have been updated accordingly.