

## **RULE 19. DISCOUNTS**

### **A. Multi-Car**

An individual (or lawfully married individuals residing in the same household), who owns two or more automobiles and purchases coverage from Commerce 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. Refer to Miscellaneous Rating Factors page for applicable discount.

### **B. Account Discount**

The Account Discount applies if a named insured:

- (1) purchases a Personal Automobile Insurance Policy from Commerce, (eligible policies must include vehicles of the private passenger type as defined in Rule 27, motorcycles, or motor homes/camper bodies as defined in Rule 39) and number (2) or (3) below are met. Vehicles classified as antiques, and miscellaneous motor vehicle types (with the exception of motor homes/camper bodies as defined in Rule 39) are not eligible.
- (2) maintains a Massachusetts Property Insurance Policy on their principal place of residence with Commerce, the FAIR Plan, or another eligible company. The property policy shall include a Homeowner, Condominium (not rented to others), or Renters policy, but shall not include a dwelling/fire only policy.
- (3) maintains a qualifying MAPFRE life insurance policy(ies). A qualifying MAPFRE life insurance policy is an active individual term life or individual whole life policy within the policyholder's account that is owned by the named insured or a related household member.

If the above criteria are met:

- Only the largest single discount shall apply; and
- A discount of the premium applicable for Coverage Parts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 will be given to eligible policyholders as follows:

Description	No MAPFRE Life Policies	MAPFRE Life Policy
Commerce Auto only	0%	2%
Commerce Auto and Home (HO 2, 3)	11%	13%
Commerce Auto and Home (HO 15)	15%	17%
Commerce Auto and Home (HO 4, 6)	9%	11%
Property with the Fair Plan	3%	5%
Property with Other Carrier	5%	7%

### **C. Anti-Theft Device**

Refer to Anti-Theft Devices Standards and Discounts Section.

### **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 will be adjusted as of that date. The premium adjustment will 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, or made electronically available to the policyholder either prior to or with the proposed adjustment. The policyholder is required to notify Commerce 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 premium adjustment required under the Merit Rating Plan.

## 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 when the annual mileage of the vehicle falls into one of five 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, and not more than 24 months old, obtained from Registry of Motor Vehicle information, or the Company may require the Annual Mileage Discount Form and other standard automobile insurance forms. 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. Commerce 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 discount will be based on the actual mileage driven in the previous policy year using the following verification steps:

**Step 1:** Commerce will use information from the Vehicle Inspection System of the Registry of Motor Vehicles to determine annual mileage. The difference in the two most recent odometer readings reported by the Registry within the last 24 months, if at least six months apart, shall be annualized to determine eligibility for the discount.

**Step 2:** If the Vehicle Inspection System reports only one odometer reading within the past 24 months at the time of verification, 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 will be annualized to determine eligibility.

The Annual Mileage Discount will not be applied if verification cannot be made using the steps identified above.

If a vehicle replaces another vehicle which is receiving the discount, the annual mileage of the prior vehicle will be attributed to the replacement vehicle.

### 3. Application of Discount

The applicable discount applies to rates otherwise determined for each insured vehicle by coverage, limits purchased, territory code, driver class, and model year and symbol prior to the application of the premium adjustment required under the Merit Rating Plan.

## F. Shop Smart Discount

The Shop Smart Discount applies to new business policies provided the following criteria are met:

1. Eligible policyholders must have prior insurance with a company other than Commerce, for a minimum of 6 months; and
2. Eligible policyholders must have no prior lapse in coverage within the last 3 years.

If the above two criteria are met and the policyholder has been at the same residence:

- (1) for 7 or more years; or
- (2) less than 7 years, and has a policy that was submitted to Commerce at least 7 days prior to the policy effective date,

then the Shop Smart discount will apply.

In addition, an eligible policy must include vehicles of the private passenger type as defined in Rule 27, or motor homes/camper bodies as defined in Rule 39. Vehicles classified as antiques, motorcycles and miscellaneous motor

vehicle types (with the exception of motor homes/camper bodies as defined in Rule 39) are not eligible to receive this discount.

A Shop Smart Discount will continue to apply upon the first and second renewal.

A discount of the premium applicable for Coverage Parts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 will be given to eligible policyholders. Refer to the Miscellaneous Rating Factors page for applicable discount.

### **G. Good Student Discount**

The Good Student Discount applies provided the following criteria are met:

- a) The rated operator:
  1. Is classified in one of the following inexperienced operator classes: 17, 18, 20, 21, 25 or 26; and
  2. Is a full time high school, home study, college, or university student.
  
- b) The rated operator has met one of the following requirements:
  1. Is in the upper 20% of his or her class scholastically; or
  2. maintains a "B" average or higher, or its equivalent, or if the letter grading system cannot be averaged then no grade can be below a "B"; or
  3. in schools using numerical grade points, such as 4.0, 3.0, 2.0 and 1.0, had an average of at least 3.0 points or it's equivalent for all subjects combined; or
  4. was included on the "Dean's List", "Honor Roll" or comparable list indicating scholastic achievement.
  5. In the case of home schooling, 2 options are given:
    - I. a standardized form certified by a 3<sup>rd</sup> 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.

The discount will be applied to Coverage Parts 1, 2, 4, 5, 7, 8, and 9. Refer to the Miscellaneous Rating Factors page for applicable discount.

The Good Student Discount cannot be applied in conjunction with the Student Away from Home discount. If the insured is eligible for both discounts, the Student Away from Home discount will apply.

### **H. Student Away from Home Discount**

The Student Away from Home Discount applies provided the following criteria are met:

- a) The rated operator is classified in one of the following inexperienced operator classes: 17, 18, 20, 21, 25 or 26.
- b) The rated operator is a student residing at an educational institution over 100 road miles from the automobile's principal place of garaging.
- c) The student does not have regular access to the covered vehicle while at school.

The discount will be applied to Coverage Parts 1, 2, 4, 5, 7, 8, and 9. Refer to the Miscellaneous Rating Factors page for applicable discount.

The Student Away from Home discount can not be applied in conjunction with the Good Student discount. If the rated operator is eligible for both discounts, the Student Away from Home Discount will apply.

### **I. Paid-in-Full Discount**

The Paid-in-Full Discount applies to policies where the annual policy premium is paid in full, subject to the following:

- For new business, payment must be made in full upon down payment.
- For renewal business, payment must be made in full upon the first installment due date.

Exceptions:

- (1) National Standard and Named Non-owned policies are not eligible for the discount, and;
- (2) Finance company payments do not qualify for the discount.

The discount will be applied to Coverage Parts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12. Refer to the Miscellaneous Rating Factors page for applicable discount.

#### **J. Smart Driver Discount**

A Smart Driver Discount will apply if an eligible rated operator has completed a company approved Advanced Driver Training Program or the teenSMART Training Program. The following eligibility rules apply:

- 1) Vehicle must be a private passenger vehicle as defined in Rule 27. Vehicles classified as antiques, motorcycles, motor homes/campers and miscellaneous motor vehicle types are not eligible.
- 2) All operator classes are eligible for the discount when the Advanced Driver Training Program is completed.
- 3) Operator classes 17, 18, 20, 21, 25 & 26 only are eligible for the discount when the teenSMART Training Program is completed.
- 4) Discount will apply for the 5 year period from when the course is completed. For teenSMART only, the discount will apply for the 5 year period from when the course is completed or until the operator reaches class 10, whichever is earlier.

The maximum allowable discount at any given time is 5%, regardless of the number of training programs completed by an individual driver.

The discount will be applied to Coverage Parts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12. Refer to the Miscellaneous Rating Factors page for specific courses and their applicable discounts.

#### **K. Green Discount**

The Green Discount will apply provided the following criteria are met:

- a.) The insured is enrolled in either CIC's Electronic Fund Transfer program (EFT) or Electronic Invoice (EBill) program; and
- b.) The insured must sign up to view and receive their policy forms electronically on CWEB.

Exception: -National Standard and Named Non-owned policies are not eligible for the discount,  
-Green Discount cannot be applied in conjunction with the Paid in Full Discount.

The discount will be applied to Coverage Parts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12. Refer to the Miscellaneous Rating Factors page for applicable discount.

#### **L. Clean in Three Discount**

The Clean in Three Discount will apply provided the following criteria are met:

- a.) The rated vehicle is subject to the Merit Rating Plan;
- b.) There are no at-fault accidents or traffic violations attributable to the rated operator during the three years immediately preceding the policy effective date;
- c.) The rated operator has been licensed for at least three years; and
- d.) An electronic copy of the rated operator's driving experience is made available to Commerce when the rated operator has prior driving experience outside of MA during the Merit Rating Experience Period.

Exceptions:

- The rated operator's Merit Rating points are 00, 98, or 99;
- The rated operator's Merit Rating points are greater than or equal to 5;
- The rated operator has one or more days lapse in coverage within the last 12 months.

The discount will be applied to Coverage Parts 1, 2, 4, and 7. Refer to the Miscellaneous Rating Factors page for applicable discount.