

## **RULE 19. DISCOUNTS AND CREDITS**

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

#### **Private Passenger Automobile**

An individual or lawfully married individuals residing in the same household, who own(s) 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 the Rate Manual for applicable discount.

#### **Motorcycle**

An individual or lawfully married individuals residing in the same household, who own(s) two or more automobiles with at least one motorcycle and purchases coverage from Commerce for at least two such automobiles and one motorcycle, 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. At least one of the automobiles must be motorcycles as defined in [Rule 44](#). Refer to the Rate Manual 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), (3), (4) or (5) 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 or Citation, 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) resides in the same household as a parent whom maintains eligible Massachusetts Insurance Policies on their personal automobile, as defined in (1), and their principal place of residence with Commerce or Citation.
  - (4) maintains a qualifying Commerce or Citation Personal Umbrella policy or endorsement.
  - (5) maintains a qualifying Commerce Insurance Yacht policy.
- 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. Refer to the Rate Manual for the applicable categories and discounts.

### **C. Class 15**

Premiums otherwise applicable to class 10 automobiles shall be reduced for insureds age 65 or older. If the principal operator becomes age 65 during the policy term, 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 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.

Refer to the Rate Manual for the applicable discount.

### **D. 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 the applicable categories. The discount will be based on: (1) the Years

Licensed Group of the operator assigned to that vehicle, (2) the Premium Town Group of the operator assigned to that vehicle and (3) the actual mileage driven in a recent 12 month period as determined by a comparison of two odometer readings, at least six months apart, and not more than 26 months prior to renewal processing or, obtained from Registry of Motor Vehicle information, or if not available, a certification by the insured on the Annual Mileage Discount Form or other paper or on-line forms required by the company.

Refer to the Rate Manual for the applicable categories and discounts.

### **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 or other paper or on-line form for the verification of eligibility for the discount.

If two odometer readings, at least six months apart are not available to Commerce through the Registry of Motor Vehicles as set forth above, or if the Annual Mileage Discount Form or other required certification by the insured is not completed by the insured and provided to the company prior to renewal processing, the vehicle is not eligible for the annual mileage discount.

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.

### **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.

## **E. Shop Smart Credit**

The Shop Smart Credit applies to new business policies, with an original New Business effective date prior to 10/1/20, 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 then the Shop Smart Credit 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.

Exception:

The Welcome Back and Shop Smart Credits are mutually exclusive. If the policy is eligible for the Welcome Back Credit, then the Shop Smart Credit will not apply.

The Shop Smart Credit will continue to apply per the roll back period indicated within the Rate Manual.

A credit 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 Rate Manual for applicable discount, which is determined based on years at current residence and date policy was submitted to Commerce.

## **F. Good Student Discount**

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

1. The rated operator:
  - a. is classified in one of the following inexperienced operator classes: 17, 18, 20, 21, 25 or 26; and
  - b. is a full time high school, home study, college, or university student.
2. The rated operator has met one of the following requirements:
  - a. is in the upper 20% of his or her class scholastically; or
  - b. 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
  - c. 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
  - d. was included on the "Dean's List", "Honor Roll" or comparable list indicating scholastic achievement.

3. In the case of home schooling, 2 options are given:

- a. a standardized form certified by a 3<sup>rd</sup> party organization showing evidence that one of the qualifications listed above is satisfied; or
- b. 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 Rate Manual 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.

### **G. 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 Rate Manual 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.

### **H. 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 (Legacy Program):

- (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.

Exceptions (New Program):

- (1) Finance company payments do not qualify for the discount; and
- (2) Semi-annual policies 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. Note, this discount factor is added to the Green (Pay Plan) Discount factor. Refer to the Rate Manual for applicable discount.

### **I. 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 based on the applicable course taken, regardless of the number of training programs completed by an individual driver, one discount will apply.

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

### **J. Green Discount**

The following discounts will apply provided the following criteria are met:

#### **A. eBill and ePolicy**

The eBill and ePolicy Discounts will apply provided the following criteria is met:

- The insured is enrolled in the Electronic Invoice (eBill) program.
- The insured must sign up to view and receive their policy forms electronically through the company portal.

Exception (Legacy Program):

- (1) National Standard and Named Non-owned policies are not eligible for the discount.

The discount will be applied to Coverage Parts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12. Note, this discount factor is added to the Paid-In-Full Discount factor. Refer to the Rate Manual for the applicable discounts.

#### **K. 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:

- (1) The rated operator's Merit Rating points are 00, 98, or 99; and
- (2) The rated operator's Merit Rating points are greater than or equal to 5; and
- (3) 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 Rate Manual for applicable discount.

#### **L. Welcome Back Credit**

The Welcome Back Credit will apply to new business policies, effective 12/1/14 through 9/30/20, provided the following criteria are met:

- a.) Eligible policyholders must have been insured with Commerce previously; and
- b.) Eligible policyholders must have prior continuous insurance with a company(s) other than Commerce for at least 6 months but not more than 48 months prior to returning to Commerce; and
- c.) Eligible policyholders must have no prior lapse in coverage within the last 3 years.

In addition to this credit, eligible policyholders will receive their prior continuous years with Commerce, as noted in [Rule 26 E](#).

Exceptions:

- (1) The policyholder is not eligible for this credit if they were previously insured with Commerce through the MA Automobile Insurance Plan. (MAIP).
- (2) The policyholder is not eligible for this credit if they were previously cancelled or non-renewed by Commerce due to Fraud or Underwriting reasons. (DNR, MM1, MM2, MM3, and UNR).
- (3) The Welcome Back and Shop Smart Credits are mutually exclusive.

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 credit.

The Welcome Back Credit will continue to apply per the roll back period indicated within the Rate Manual.

A credit 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 Rate Manual for applicable discount.

#### **M. Marketing Partner Discount**

A discount will be applied to the policy when an insured has a verifiable business relationship\* with a marketing partner of Commerce during the 12 months preceding the policy effective date. For the initial application of the discount, if a valid contribution is made mid-term, the discount will be honored on a prorated basis for the remainder of the term. Re- verification will be required.

\*A verifiable business relationship is defined as making a documented contribution to an IRS Section 501(c)(3) organization that is a marketing partner of Commerce in such minimum amount as detailed in the marketing partner's written promotional marketing agreement with Commerce.

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