

Guam Private Automobile Tariff

This manual contains the Guam rules and classifications governing the writing of private automobile insurance under a standard Personal Automobile Policy. This Guam Private Automobile Tariff combined with the Guam Business Automobile Tariff Manual together replace the Guam Automobile Tariff released and effective on June 30, 1994. These rules and rates are approved by the Insurance Commissioner of Guam.

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The scope of this manual is such that any cases not provided for herein must be filed separately and approved by the Insurance Commissioner of Guam before use. Otherwise, there are no allowable deviations to the standard personal automobile policy.

Rule 1: Definitions

As used in this manual the following definitions apply:

- A. All-Terrain Vehicle is a four or six-wheel motor vehicle equipped with balloon tires or crawler treads, designed for use on rugged terrain or rugged terrain and water.
- B. Antique Auto is a motor vehicle of the private passenger type which is 25 or more years old and is maintained primarily for use in exhibitions, club activities, parades and other functions of public interest, and occasionally used for other purposes.
- C. Blind Spot Detection is defined as technology designed to alert you to cars or objects in your blind spot during driving or parking, or both. It will normally respond when you put on your turn signal; if it detects something in the way, it may flash a light in your mirror, cause the seat or steering wheel to vibrate, or sound an alarm.
- D. Bodily Injury is bodily harm, sickness, or disease, including resulting death.
- E. Business Use means that the use of the private vehicle is required by or customarily involved in the occupation/profession of the insured or any other person operating the car, other than in driving to and from work. Farm Use as defined in **Rule 3 B. Definitions of Use Classifications** shall not be considered business use.
- F. Collision Coverage refers to the upset of an auto or the impact with another vehicle or object.
- G. Combined Single Limit Liability refers to one limit of liability that covers both Bodily Injury and Property Damage Coverages. This limit makes the coverage for all components of a claim a single dollar amount.
- H. Comprehensive Coverage refers to other than collision and typhoon damage to a motor vehicle.
- I. Driver Assistance as used in this manual is a Rearview Video System (Back Up Camera) AND Rear Object Detection System (Back Up Sensor). Must have BOTH features.
- J. Drivers Classification is a defined classification for the principal driver or occasional driver with a correlating rate modifier.
- K. Dune Buggy is a motor vehicle of the private passenger type designed or modified for use principally off public roads.
- L. Emergency Brake System (EBA) as used in this manual means Dynamic Brake Support (DBS) and Crash Imminent Braking (CIB). Using cameras mounted on the front of the vehicle, this system assists a driver in avoiding or mitigating a collision with another vehicle or object in front of them. DBS provides additional braking force in addition to the driver's intentional braking action while CIB on the other hand initiates braking without input from the driver.
- M. Golf Cart is a three or four-wheel motor vehicle with limited speed capabilities designed to carry golfers and their equipment around a golf course.

- N. Good Student is defined as:
1. A full-time student, either in high school or an accredited college. "Full-Time" shall mean the student is carrying a sufficient credit load to be classified as a full-time student by that school;
 2. Is either the Owner or Principal Driver of the insured vehicle. If the inclusion of the student would otherwise because of age, cause the premium to be surcharged, but the student meets the other criteria of this section, the student would be considered a principal driver;
 3. Is not gainfully employed away from his residence of school for more than 20 hours a week;
 4. Does not normally use the vehicle in the course of employment, except driving to and from work;
 5. Has not had a moving violation in the last 12 months. Summons for operating unsafe equipment do apply, those for parking, or not related to the unsafe movement of the vehicle, do not;
 6. Has not been convicted in the last three (3) years for:
 - i. Leaving the scene of the accident;
 - ii. driving while intoxicated with alcohol or under the influence of narcotics or dangerous drugs, as defined by the Bureau of Narcotics and Dangerous Drugs, and
 - iii. operating a motor vehicle during a period when his/her license was suspended or revoked;
 7. Has maintained for the preceding two (2) semesters a grade point average of 3.0 or "B" or better, when 4.0 is perfect. A transcript of grades or certification from the office of the Registrar, or inclusion on a list of qualified students (as published by the Registrar) shall be sufficient evidence. This information must be supplied annually at renewal.
 8. The discount is not applicable for the first and subsequent renewal(s) after the student's 22nd birthday.
 9. An individual going from high school to college may apply his/her high school grades to this system, if all qualifications are met.
 10. This discount applies only to the vehicles for which the student is the principal driver.
 11. If the student discontinues attending school or otherwise becomes disqualified during the policy period, applicable rules of the rating procedure will apply at the next renewal.
- O. Gross Vehicle Weight Rating refers to the maximum loaded weight for which a single vehicle is designed, as specified by the manufacturer.
- P. Household shall not include two or more husband/wife units, regardless of other existing relationships between the individuals of the household.
- Q. Insurable Interest is defined as a legal or financial interest by the insured person in the value of the motor vehicle.
- R. Lane Departure Warning Systems as used in this manual utilizes sensor to visually monitor the left and right side lane markers of the traveling lane. If there is a risk of the vehicle leaving the traveling lane unintended, the system flashes an indication and sounds a warning chime. The monitoring is done via camera systems mounted on the upper windshield of the vehicle.
- S. Liability Coverage refers only to Bodily Injury and Property Damage Coverages.
- T. Loss of Use is the compensation a person will receive for the period of time that they are without the use of their car due to covered damages sustained and the resulting repairs that need to be made. It is also referred to as Rental Reimbursement or Transportation Expense Coverage and applies to first party.

- U. Loyalty refers to a customer who has been insured with the same Insurance Company for a minimum of five (5) consecutive years.
- V. Medical Payments is first party coverage and reimburses medical expenses of an insured who sustains bodily injury caused by an auto accident, without regard to fault.
- W. Miscellaneous Types of Vehicles that have limited coverage under the unendorsed personal auto policy. Examples of these vehicles include all-terrain vehicles with 3 or more wheels, dune buggies, or golf carts.
- X. Modified Vehicle means any motor vehicle whose suspension system, including but not limited to springs, shock absorbers and steering linkage has been materially modified from the design specifications of the manufacturer.
- Y. Motorcycle, Scooter, or a similar type of vehicle is defined as a vehicle with less than four wheels that is powered by a motor and has no pedals.
- Z. Non-Owner Auto Liability is provided when the insured has no insurable interest in the vehicle they drive on a consistent or regular basis. This type of coverage does not afford coverage for:
 - a. A vehicle owned by the insured; or
 - b. A vehicle owned by anyone who would qualify for coverage.
- AA. Occasional Driver is defined as a person who is not classified as a principal operator and his operation of the vehicle is occasional, incidental and unpredictable but he can usually be expected to operate the vehicle during the year.
- BB. Owned Vehicle as used in this manual includes:
 - a. A vehicle registered to an individual or individuals;
 - b. An auto leased under contract for a continuous period of at least six months; or
 - c. A vehicle owned by a trust. Refer to **Rule 2: Eligibility** for eligibility requirements applicable to vehicles owned by a trust.
- CC. Principal Operator is a person who holds a valid driver's license to drive an auto and who regularly or customarily drives the vehicle.
- DD. Private Passenger Automobile
 - 1. A private passenger automobile is a four-wheel motor vehicle, other than a truck type, owned and:
 - a. Not used as a public or livery conveyance for passengers; and
 - b. Not rented to others.
 - 2. A motor vehicle that is a pickup or van shall be considered a private passenger automobile, if it:
 - a. Has a Gross Vehicle Weight Rating of 10,000 lbs. or less; and
 - b. Is owned by an individual or by husband and wife who are residents of the same household; and
 - c. Is not customarily used in the occupation, profession, or business of the insured, with the exception of farming or ranching.
 - 3. The abbreviation Auto refers to a Private Passenger Automobile as defined in DD.1. and DD.2. above.
- EE. Property Damage means physical injury to, destruction of or loss of use of tangible property.

- FF. Recreational Trailer or Camper Bodies refer to the following:
- a. A recreational trailer is a non-self-propelled axel.
 - b. A camper body is a non-self-propelled unit designed to be transported by a pickup, with or without cooking , dining, sleeping, plumbing or refrigeration facilities.
- To be eligible for coverage, the insured must maintain a separate and permanent residence other than the recreational camper body.
- GG. Road Sign Recognition as used in this manual is a system that notifies the driver when a speed limit sign or traffic sign is detected, keeping the driver informed of speed limit changes and other important road information. The system captures road sign information via camera. The road sign message is shown on the multi-information display to keep the driver aware of important information.
- HH. Single Limit Liability is similar to a combined single limit. For the purposes of this tariff, Single Limit Liability shall mean that the insurer will pay up to a certain dollar amount for an entire claim, regardless of the number of injuries or the cost of injury(ies) to a single person.
- II. Split Limit Liability breaks your liability coverage down into three parts: 1) bodily injury liability limit per person; 2) bodily injury liability limit per accident; and 3) property damage liability coverage per accident. The most that can be paid in any one occurrence is the liability limit of bodily injury per accident plus the liability limit of property damage per accident.
- JJ. Typhoon for purposes of providing Typhoon insurance shall refer to those windstorms which the Governor of Guam has announced a change from Typhoon Condition IV, Guam’s normal weather conditions, to Typhoon Condition III until such time as the Typhoon Condition is returned to IV.
- Guam Typhoon Conditions according to Guam Homeland Security:**
- **Condition IV:** *Guam is always in Condition IV. A typhoon may develop and hit the island within 72 hours.*
 - **Condition III:** *A typhoon may possibly hit the island within 48 hours.*
 - **Condition II:** *A typhoon is expected to hit the island within 24 hours.*
 - **Condition I:** *A typhoon is expected to hit the island within 12 hours.*
- KK. Uninsured Motorist refers to an at-fault driver or vehicle owner who has no third-party auto liability insurance or has insurance that does not meet the Guam bodily injury liability minimum amounts.
- LL. Use Classification refers to a system of classifying the uses of vehicles. Use classifications are assigned based on the regular or customary use of the vehicle.

Rule 2: Eligibility

- A. Only private passenger autos as defined in **Rule 1: Definitions** qualify for coverage under this tariff.
- B. It is required that the vehicle is owned as defined in **Rule 1 BB. Owned Vehicle**.
- C. An insurable interest in a vehicle is required to purchase insurance for that vehicle.
- D. When title is transferred to a Trust to purchase insurance the grantor of the trust must be:
 - 1. An individual or a husband and wife;
 - 2. The only named insured(s) shown in the Declarations;
 - 3. All vehicles insured under the policy must be owned by the trust; and
 - 4. A vehicle owned by a trust, in which the grantor is a corporate entity is not eligible under the Private Auto Tariff. The corporate entity would be rated according to the Commercial Auto Tariff.
- E. A principal operator who does not own a vehicle is eligible to purchase third party liability coverage applicable to the driver and not applicable to a specific vehicle as outlined in **Rule 6: Optional Insurance Coverages** under *Non-Owner Auto Liability Coverage*.

Rule 3: Classifications

This rule does not apply to vehicles rated in accordance with **Rule 4. Miscellaneous Vehicle Types** unless **Rule 7 Premium Determination** for Miscellaneous Vehicle Types states to classify and rate the vehicle as a private passenger auto.

Refer to Section B. below for definitions of terms used in this rule:

A. Autos owned by an individual, or owned jointly by two or more relative or resident individuals are classified as follows:

1. Primary Classification. Classify the auto according to the age, sex and marital status of the operators, the use of the auto and the eligibility of youthful operators for the applicability of Driver Training and/or Good Student modifier.
2. Secondary Classification. Determine if the auto is:
 - a. A single car; or
 - b. Part of a multi-car risk.
3. Classification changes. Compute premium adjustments on a pro rata basis when changes in Primary and Secondary Rating Classifications are made. This includes the addition or deletion of an operator during the policy term.

Exception

A policy shall not be changed mid-term because of the attained age of an operator of the auto.

B. Definitions of use classifications:

1. Business use means that the use of the auto is required by or customarily involved in the duties of the applicant or any other person customarily operating the auto, in an occupation, profession or business, other than in driving to and from the principal place of occupation, profession or business.
2. Farm Use means the auto is principally garaged on a farm or ranch; and
 - a. it is not customarily used in going to or from work other than farming or ranching, or driving to or from school; and
 - b. it is not customarily used in any occupation other than farming or ranching.
3. Pleasure Use means:
 - a. NO BUSINESS USE; and
 - b. Personal use including driving to or from work or school.

Rule 4: Miscellaneous Vehicle Types

The below vehicles may be covered by a personal auto policy subject to any compulsory insurance law. The premium charge for these miscellaneous vehicles will be outlined in **Rule 7: Premium Determination** of this manual.

- A. Motorcycles, Mopeds, Motorscooters, Motorbikes and Any Other Similar Motor Vehicles, as defined in **Rule 1. Y. Motorcycle, Scooter, or a similar type of vehicle**
- B. All-Terrain Vehicles as defined in **Rule 1. A. All-Terrain Vehicle.**
- C. Dune Buggies as defined in **Rule 1. K. Dune Buggy.**
- D. Golf Carts as defined in **Rule 1. M. Golf Cart.**
- E. Antique Autos as defined in **Rule 1. B. Antique Auto.**

Rule 5: Mandatory Minimum Limits

In accordance with Title 16, Chapter 19 of the Guam Code Annotated, it is mandatory that each owner of a motor vehicle required to be registered must purchase insurance pursuant to the following limits:

- (a) Third Party Bodily Injury Liability coverage shall provide that any liability of an insured to pay for injury arising from an accident within Guam for the minimum amount of **\$25,000 for each person injured in any one accident and \$50,000 in aggregate for all persons injured in any one accident;**
- (b) Property Damage Liability Insurance shall provide that any liability to an insured to pay for property damage to any vehicle or other property not owned or controlled by the insured for the minimum amount of **\$20,000 for property damage in any one accident.**

Rule 6: Optional Insurance Coverages

All eligible vehicles subject to **Rule 2: Eligibility** and **Rule 3: Classifications** have the option of purchasing the following coverages but are not required to purchase nor is an insurance carrier required to provide the coverage. The base premium charge for these optional coverages will be outlined in **Rule 7: Premium Determination** of this manual.

- **Physical Damage Coverage:**

Individual coverages below may be purchased separately. The following are all physical damage coverage, see **Rule 1** for definitions.

Collision

Comprehensive - the peril of Typhoon may be excluded from coverage by endorsement

- **Uninsured Motorists Coverage** as defined in **Rule 1: Definitions**.

Applies to Bodily Injury only at limits equal to Guam statutory bodily injury limits.

- **Medical Payments Coverage** as defined in **Rule 1: Definitions**.

\$2,000 per person limit

- **Towing and Labor Coverage** pays for the costs incurred for towing and labor each time a covered auto is disabled. Labor must be performed at the place of disablement.

- **Loss of Use** as defined in **Rule 1: Definitions** also referred to as **Rental Reimbursement or Transportation Expense Coverage** provides coverage for rental car charges incurred in connection with a covered comprehensive or collision loss, up to a specified amount.

- **Non-Owner Auto Liability Coverage** may be provided for an individual who does not own an auto but drives borrowed or rented autos. Coverage may also be extended to the spouse and resident relatives of that named individual.

Rule 7: Premium Determination

The Bodily Injury, Property Damage, Collision, and Comprehensive premiums of a Private Passenger Vehicle shall be determined as follows:

1. Refer to the Tables of Base Premiums (See **Table A – Third Party Liability Base Premium** and **Table B – Physical Damage Base Premium Calculations**) to develop the base premium charges.
2. Refer to the Driver Classification (as enumerated in **Table D: Driver Classification Modifier**) to determine the applicable Classification. Then multiply base premiums by appropriate modifier.

A. Third Party Liability Coverage includes Bodily Injury and Property Damage, both as defined in **Rule 1: Definitions**.

Table A – Third Party Liability Base Premium

<u>Bodily Injury Base Premium</u>	<u>Bodily Injury Limit</u>	<u>Property Damage Base Premium</u>	<u>Property Damage Limit</u>
\$74	\$25,000 per person/ \$50,000 per accident	\$87	\$20,000 per accident

Refer to the individual companies for limits not shown in the table above or for Single Liability Limits.

B. Physical Damage Coverage includes Comprehensive (whether with or without the peril of Wind/ Typhoon) and Collision Coverages all a defined in **Rule 1: Definitions**.

Table B – Physical Damage Base Premium Calculations

To calculate the base premium for each of the following coverages use the vehicle value for \$1,000 - \$6,000 and charge against the appropriate rate. For any vehicle valued at more than \$6,000 take the remaining value (i.e. Vehicle Value - \$6,000 = Remaining Value) and charge against the appropriate rate. Add these two premiums together to get the base premium for the Coverage.

<u>Vehicle Value</u>	<u>Comprehensive Premium Rate</u>	<u>Modifier to Exclude Typhoon</u>	<u>Collision Premium Rate</u>
\$1,000 - \$6,000	4.13%	.605	5.70%
More than \$6,000	3.66%	.555	4.12%

Premium calculation examples:

\$5,000 Vehicle Value Collision premium is calculated $5,000 \times 5.7\% = \underline{\$285}$ collision base premium *before* any modifiers are applied. Comprehensive premium is calculated $5,000 \times 4.13\% = \underline{\$207}$ *before* any modifiers are applied.

\$15,000 Vehicle Value Collision premium is calculated as $6,000 \times 5.7\% = \$342 + 9,000 \times 4.12\% = \371 $\underline{\$342 + \$371 = \$713}$ collision base premium *before* any modifiers are applied. Comprehensive premium is calculated as $6,000 \times 4.13\% = \$248 + 9,000 \times 3.66\% = \$329 = \underline{\$577}$ *before* any modifiers are applied.

Where typhoon is excluded, in the example of a \$15,000 vehicle value, the comprehensive base premium for the value less than \$6,001 will take the premium calculated above and will apply the modifier to exclude typhoon as follows $\underline{\$248 \times .605 = \$150}$ and the comprehensive premium for the value greater than \$6,000 will apply the modifier to exclude typhoon in the same manner, $\underline{\$329 \times .555 = \$183}$ for a total comprehensive excluding typhoon premium of **\$333**.

Use **Table C** below to apply Deductible Modifiers to the calculated base premium developed following **Table B – Physical Damage Base Premium Calculations** above. The modifiers shall be applied based on the coverage and chosen deductible amount. A standard deductible is the lowest deductible applicable to the coverage.

Table C – Deductible Base Premium Calculations

<u>Deductible Amount</u>	<u>Comprehensive/Typhoon Modifier</u>	<u>Collision Modifier</u>
\$100	Standard	Not Available
\$200	.90	Standard
\$250	.85	.985
\$300	.80	.97
\$400	.75	.94
\$500	.70	.90
\$1,000	.55	.85

A deductible **MUST** be applied to each vehicle under physical damage coverage.

C. Application of Drivers Classification

Use **Table D** below to surcharge both **Table A – Third Party Liability Base Premium** and **Table B - Physical Damage Base Premium Calculations**. The applicable Driver Classification modification shall be applied to the number of automobiles equal to the number of surcharged operators. The largest rate modifier shall be applied against the highest premium, the second largest rate modifier applied against the second highest premium and so on, unless the surcharged operator is assigned as an operator of specific auto.

Table D – Driver Classification Modifier

<u>Driver Class</u>	<u>Driver Classifications</u>	<u>Rate Modifier</u>
DC-1	Adults; not otherwise classified and Unmarried Female Age 21 and Over	1.00
DC-2	Unmarried Female Under Age 21	1.45
DC-3	Married Male Under Age 21	1.55
DC-4	Married Male Age 21 to 24 and Unmarried Male not owner or not Principal operator Age 21 to 24	1.10
DC-5	Unmarried Male Not Owner or Not Principal Operator under age 21	1.75
DC-6	Unmarried Male Owner or Principal Operator Under Age 21	2.55
DC-7	Unmarried Male Owner or Principal Operator Age 21 to 24	1.60
DC-8	Unmarried Male Owner or Principal Operator Age 25 to 29	1.50

A. Miscellaneous Vehicle Rules

Instructions for rating Miscellaneous Vehicle Types as listed in **Rule 4: Miscellaneous Vehicle Types** are further outlined below:

1. Motorcycles, Mopeds, Motorscooters, Motorbikes and Any Other Similar Motor Vehicles

See **Rule 1. Y. Motorcycle, Scooter, or a similar type of vehicle** for the definition applicable to 1. Above.

a. Motorcycle Liability

Vehicles that qualify as a motorcycle may charge premiums shown in **Table E** below for the following age classes:

Table E – Motorcycle Third Party Liability Standard Premium

<u>Age of Driver</u>	<u>Bodily Injury</u>	<u>Property Damage</u>
25 years and older	\$35	\$34
Under 25 years	\$44	\$43

All vehicles which qualify to use **Table E** above shall be subject to the following Passenger Exclusion Clause:

- It is hereby understood and agreed that this policy does not apply:*
- i. *For Bodily Injury Liability, to bodily injury or death of any individual riding as a passenger on the vehicle insured hereunder;*
 - ii. *For Property Damage Liability, to injury to or destruction of property owned by and/or covered by any individual riding as a passenger of a vehicle.*

b. Motorcycle Physical Damage

To calculate the base premium for each of the following coverages use the motorcycle or scooter value and charge against the appropriate modifier in **Table F** below.

Table F – Motorcycle and Scooter Physical Damage Premium Calculations

<u>Age of Driver</u>	<u>Vehicle Value</u>	<u>Comprehensive Premium Rate</u>	<u>Modifier to Exclude Typhoon</u>	<u>Collision Premium Rate</u>
25 years and older	1,000 and below	3.73	.568	5.60
	more than 1,000	3.54	.540	5.08
Under 25 years	1,000 and below	4.26	.619	7.00
	more than 1,000	4.02	.594	6.35

2. Recreational Trailer and Camper Bodies, as defined in **Rule 1: Definitions**, for Use with Private Passenger Autos and Pickups

Physical damage coverage may be provided to a recreational trailer or camper. Follow **Table G** below for premium calculations.

Table G – RECREATIONAL TRAILER OR CAMPER PHYSICAL DAMAGE PREMIUM CALCULATIONS				
<u>Age of Driver</u>	<u>Vehicle Value</u>	<u>Comprehensive Premium Rate</u>	<u>Modifier to Exclude Typhoon</u>	<u>Collision Premium Rate</u>
25 years and older	1,000 and below	3.70	.568	5.60
	more than 1,000	3.54	.540	5.08
Under 25 years	1,000 and below	4.20	.619	7.00
	more than 1,000	4.02	.594	6.35

3. All-Terrain Vehicles as defined in **Rule 1: Definitions**, charge a .50 modifier against private passenger liability base rates.
4. Dune Buggies as defined in **Rule 1: Definitions**, charge a modifier of .90 against private passenger liability base rates.
5. Golf Carts as defined in **Rule 1: Definitions**, charge a modifier of .75 against private passenger liability base rates.
6. Antique Autos as defined in **Rule 1: Definitions**, classify and rate the vehicle as a private passenger auto for liability, medical payments and uninsured motorists. A modifier of .60 shall apply towards the physical damage premium calculations under **Rule 7B Table B – Physical Damage Base Premium Calculations**.

E. Application of Circumstantial Modifiers

Circumstantial Modifiers are calculated with the premiums developed in **Rule 7.B. Physical Damage Coverage** and shall be applied to a Private Passenger Automobile or Miscellaneous Type Vehicle.

All circumstantial rate modifiers:

1. Are at the discretion of the Insurance Carrier;
2. Shall be applied one after the other and NOT as an aggregate;
3. The Maximum amount of all Modifiers applied **shall not exceed fifty-percent (50%)** of the base premium after applying both the applicable modifiers from **Table C - Deductible Standard Premium Calculations** and the appropriate modifier from **Table D - Driver’s Classification Modifier**.

The following are all Circumstantial Modifiers that may be used in rating when qualified:

- I. Motor Vehicles that are Ten Years and Older AND pass the annual vehicle inspection are subject to a **1.15** modifier charge against third party liability base premium from **Rule 7A Table A – Third Party Liability Base Premium**.
- II. Good Student
A private vehicle operated by a qualifying student and not used in business is entitled to apply the Good Student Modifier of .90 on applicable Collision premium and .85 on Bodily Injury and Property Damage premiums for the student who meets certain requirements with respect to age, school year, and scholastic achievements as defined in **Rule 1 N. Good Student**.
- III. Driver Training/Defensive Training with a certificate showing that either Driver Training or Defensive Training courses have been completed a .95 modifier may be applied to physical damage premium. A student may not receive a modifier for both Driver Training and Defensive Training.

IV. No-Claim

The following modifiers shall apply in the event of no claim having been made, nor any claim arising during the preceding period as outlined in **Table H** below:

Table H – No-Claim Modifier Table

<u>Number of Years</u>	<u>Modifier</u>
(a) 1 year of insurance	.90
(b) 2 consecutive years	.85
(c) 3 consecutive years	.80

The modifiers listed in **Table H** apply to only physical damage coverage(s). Where the prior year(s) coverage was provided by a different Insurer, the appropriate No-Claim Modifier shall only be applied upon submission by the applicant for Auto Insurance of a written statement from the prior underwriter on the Insurance Company's/General Agent's official stationery, attesting to the period of coverage without a claim.

- V. Multiple Policy Modifier of **.85** shall apply where the same Named Insured has more than one policy with the same Insurance Carrier. This modifier shall apply to only physical damage coverage(s).
- VI. Business Use Modifier of **1.3** applies to all mandatory and optional coverage premiums when the vehicle meets the definition of Business Use in **Rule 3B. Definitions of use classifications** of this manual.
- VII. Multiple Vehicle Modifier shall apply as outlined in **Table I** below, only when the Named Insured owns or jointly owns with a relative in the same household, as defined in **Rule 1.P. Household**, more than one vehicle. To qualify to use the modifier the vehicles must be insured with the same Insurance Carrier.

Table I – Multiple Vehicle Modifier Table

<u>Number of Autos</u>	<u>Applicable Modifier</u>
2-3	.90
4-5	.85
6 or more	.80

The Multiple Vehicle modifier shall not be computed on the inclusion of premium for any vehicle other than a Private Passenger Automobile as defined in **Rule 1.DD. Private Passenger Automobile**. The above modifiers shall be applied to only physical damage coverage(s).

VIII. Method of Payment

When an insured pays their premium using any of the following payment methods a single modifier of **.95** shall be applied to physical damage premium.

1. Automatic ACH
2. Automatic Payroll Deduction
3. Payment in Full

- IX. New Vehicle Modifier of **.90** shall apply to physical damage premium for vehicles that are NOT required to

have safety inspection due to their age. This is the current model year plus 2 subsequent years.

- X. Multi-Year Modifier of **.85** shall apply to physical damage premium for a three (3) year policy term. The premium shall be billed per annum.
- XI. Loyalty Modifier, as defined in **Rule 1U. Loyalty**, may be used to extend the following modifiers to physical damage premium as classified in **Table J** below:

Table J – Years of Loyalty Modifier Table

<u>Consecutive Years Insured</u>	<u>Modifier</u>
5 Years	.95
10 Years	.90
15 Years	.85

- XII. Occasional Driver
For drivers *less than 25 years* of age, after applying the appropriate driver’s classification modifier from **Rule 7C Table D – Driver Classification Modifier**, an additional modifier of **.85** may be charged against the physical damage premium if qualified as an Occasional Driver in accordance with **Rule 1 AA. Occasional Driver**.

- XIII. Away at School modifier of **.90** may apply to physical damage premium when a rated operator under age 29 is an unmarried full-time student residing at an educational institution off island.

The collision modifier applicable under **Rule 7 E. II. Good Student** may NOT be used when applying the modifier from **Rule 7 E. XIII. Away at School**.

- XIV. Safety Devices the vehicle safety devices in **Table K – Safety Devices** qualify for a modified Collision premium (only) on the subject auto which has the safety device permanently installed. For definitions see **Rule 1: Definitions**.

Table K – Safety Devices

<u>Type of Device</u>	<u>Modifier</u>
Daytime Running Lights	.97
Emergency Brake System (EBA)	.90
Driver Assistance	.90
Lane Departure Warning	.90
Blind Spot Detection	.90
Road Sign Recognition	.90

Only **one qualified modifier** provided in **Table K** above shall apply to a single vehicle. There shall never be the case where greater than a .90 modifier will be applied to any one vehicle regardless of the number safety devices in that vehicle.

- XV. Anti-Theft Devices
When a vehicle includes a permanently installed theft device a modifier of **.95** may be applied to the **Comprehensive** premium (only).

Qualified theft devices include:

1. Audible Alarm;
2. Keyless Entry with Key Fob;
3. GPS Tracking device; or
4. External Steering Wheel Lock.

Regardless of the number of qualified Anti-theft devices in one vehicle, only one modifier shall apply per

private passenger automobile.

XVI. Modified Vehicle as defined in **Rule 1.X. Modified Vehicle** shall have a modifier of **1.15** charged against third party liability base premium from **Rule 7A Table A: Third Party Liability Base Premium**. This **1.15** modifier may also be charged against developed physical damage premium as outlined in **Rule 7A Table B: Physical Damage Base Premium Calculations**.

F. Use of Assigned Risk Point System

Where an insured does not meet the underwriting guidelines of a carrier due to traffic moving violations of a driver, a carrier is authorized to use the point system outlined in GAR Title 30 Chapter 17 Assigned Risk Plan Section 17108, providing both the insured and the Carrier voluntarily agree.

Insureds will be charged penalty points per convicted offense, dating back 3 years from the current policy inception date.

Penalty points shall be assigned and charged per violation with one point being assigned for one conviction of all moving violations and two points assigned for each subsequent or additional conviction other than those individual violations identified in **Table L. Driving Violation Penalty Point Assignment Table** below:

Table L– Driving Violation Penalty Point Assignment Table

<u>Driving Violation</u>	<u>Penalty Points</u>
At fault accidents exceeding \$250 in damage (or including bodily injury)	2 points
Permitting an unlicensed person to drive	4 points
Hit and Run (when involved in an accident NOT involving bodily injury to any person)	4 points
Engaging in a speed contest (racing)	4 points
Reckless driving	4 points
Operating a motor vehicle without liability insurance or registration or a valid driver’s license	5 points
Operating a motor vehicle without the permission of the owner of the vehicle	5 points
Loaning a driver’s license to an unlicensed operator	5 points
Making a false statement in the application for motor vehicle registration or driver’s license	5 points
Impersonating an applicant for motor vehicles registration or driver’s license through impersonation whether for himself or another person.	5 Points
Driving a motor vehicle under the influence of intoxicating liquor or narcotic drugs.	6 points
Hit and Run (when involved in an accident involving bodily injury to any person)	6 points
Homicide or assault arising out of the operation of a motor vehicle	6 points

Once all citations have had the appropriate points assigned, add all penalty points together for the final sum total and refer to **Table M** below to determine the additional premium to charge based of the sum of all applicable penalty points assigned.

Table M – Penalty Point Additional Premium Charges

<u>Penalty Point</u>	<u>Additional Premium</u>
1 Penalty Point	\$ 30
2 Penalty Points	\$ 50
3 Penalty Points	\$ 80
4 Penalty Points	\$130
5 Penalty Points	\$200
6 Penalty Points	\$300
7 Penalty Points	\$400
8 Penalty Points	\$500
9 Penalty Points	\$525
10 Penalty Points	\$550
11 Penalty Points	\$575
12 Penalty Points	\$600
Over 12 Points	\$600 plus \$50 for every point in excess of 12 points

Additional premium charges are added to the calculated premium after all qualified modifiers have been applied. ***No circumstantial modifiers are applicable to the additional premium charged for total of all penalty points.***

G. Optional Coverages

Optional Coverages are Uninsured Motorists, Medical Payments, Towing and Labor and Loss of Use/Rental Reimbursement/Transportation Expense as listed in **Table N** below. This list provides the standard limit for each optional coverage and the applicable base premium. All premiums charges are per vehicle for each item of coverage separately.

No credit modifiers shall be applied to these base premiums however surcharges may be applicable.

Table N – Optional Coverages

<u>Type of Optional Coverage:</u>	<u>Premium Charge</u>	<u>Limits</u>
Physical Damage	Refer to Rule 7A. Table B Physical Damage Base Premium Calculations	Standard Deductibles Apply
Uninsured Motorists	\$11	\$25,000 bodily injury per person \$50,000 bodily injury per accident
Medical Payment	\$15	\$2,000 per person
Towing & Labor Coverage	\$10	\$50 per tow
Loss of Use/Rental Reimbursement/ Transportation Expenses Coverage	\$25	\$40 per day with a maximum of \$1,200

H. Non-Owner Automobile Liability Coverage

The following modifiers are applied to the bodily injury and property damage premiums in **Rule 7A Table A – Third Party Liability Base Premium** for both bodily injury and property damage base premiums to calculate the base annual premium for **Non-Owner Auto Liability** as defined in **Rule 1.Z. Non-Owner Auto Liability**.

Table O – Non-Owner Auto Liability Modifier

Person(s) Named	Modifier
Named Individual	.40
Named Individual and Resident Relatives (including Named Individual’s Spouse)	.60

- I. Government Vehicle Coverage** provides automobile liability coverage to an insured as primary when they are driving a government vehicle that carries no automobile liability insurance. This is additional automobile liability premium to the calculated third party liability coverage premium.

Apply the following endorsement wording when charging the premium from **Table P** below.

“In consideration of the additional premium charged, it is hereby noted and agreed that coverage afforded by this policy is extended to cover the insured while driving a Government vehicle provided the Government vehicle does not have auto liability insurance.”

Table P– Government Vehicle Premium

<u>Premium Charge</u>	<u>Coverage</u>	<u>Limits</u>
\$ 9 per vehicle	Bodily Injury	\$25,000 per person \$50,000 per accident
\$26 per vehicle	Property Damage	\$20,000 per accident

No circumstantial modifiers are applicable to the additional premium charged under Table P – Government Vehicle Premium.

Rule 8: Minimum Premium

A minimum earned annual premium charge of **\$161** shall be made for each policy written.

The only exception to this rule is a policy insuring only a Motorcycle, Scooter or Similar Type of Vehicle. In that case the minimum premium will be equal to the Third Party Liability Standard Premium applicable to this class of vehicle.

Rule 9: Policy Period

A policy period shall be a minimum of 12 months in term.

No policy may be written for a period longer than three (3) years, subject to **Rule 7E. X. Multi-Year Modifier**.

Rule 10: Changes

1. All changes requiring premium adjustments shall be computed pro rata.
2. If an auto or a form of coverage that was cancelled from a policy at the request of the insured is reinstated within 30 days, the premium shall be the same as the amount that was returned at the time of cancellation.

Rule 11: Cancellation

If a policy, vehicle or form of coverage is cancelled:

1. By the Insurance Carrier, compute return premium pro-rata.
2. By the insured, compute return premium pro-rata or short-rate at the discretion of each Insurance Carrier based on their filed and approved coverage form.

Rule 12: Whole Dollar Premium

The premium for each exposure shall be rounded to the nearest whole dollar, separately for each coverage provided by the policy. A premium involving \$0.50 - \$0.99 shall be rounded to the next highest dollar; \$0.01 - \$0.49 shall be rounded to the preceding lower dollar figure.

The procedure shall apply to all premium adjustments including the cancellation of policy.