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3. Apply the appropriate discount to the premium developed in Step 2. Refer to Rule 19 for a definition of the available discounts.

Parts 1 through 12 may be subject to more than one discount or rating factor. The order of application shall be (1) Annual Mileage, (2) Multi-car, (3) Passive Restraint, (4) Anti-theft, (5) Group, (6) Liberty Preferred, (7) Driver Training, (8) Good Student, (9) Driving Years, (10) License Years Factor, (11) Public Transit, (12) Class 15, (13) Driving Record Rating Plan Factor (Merit Rating Plan), (14) Early Shopper Discount, (15) Enrollment Credit, (16) Responsible Driver Factor, (17) Employee Parking Guard, and (18) Liberty Advantage Plus Charge. The discount or charge shall be rounded to the nearest dollar and cents after each application, with the exception of the final calculation which will be rounded down to the nearest whole dollar for Parts 1, 2, 3, 4, 5, 7, 8, 9, and 12 and rounded to the nearest dollar for all other Parts. Exception - Class 15 is rounded to the nearest dollar and cents.

The Responsible Driver Factor for customers newly purchasing or renewing with the basic coverage package described in the Division of Insurance bulletin 2009-13 will be the minimum of the MAIP base rate (adjusted for continuous coverage and low frequency discounts) divided by the Liberty base rate (adjusted for the passive restraint discount) currently in effect, and the otherwise applicable Responsible Driver Factor for each coverage within that package, to ensure that the final premium does not exceed the applicable premium threshold. On or after June 17, 2013, the comparison with MAIP premiums is applicable only for renewal policies. The basic coverage package described in the Division of Insurance bulletin 2009-13 includes the following coverages:

- 20/40 bodily injury liability (including guest and out-of-state coverage)
- \$8,000 personal injury protection, no deductible
- \$5,000 property damage liability
- 20/40 uninsured motorist coverage

RULE 12. WHOLE DOLLAR PREMIUM RULE

Unless otherwise specified, the premium for each exposure shall be rounded at each step to the nearest whole dollar, separately for each coverage provided by the policy.

A premium involving \$0.50 or more shall be rounded to the next whole dollar at the end of each step. This does not apply to Part 5, 20/40 limits and Part 6, \$5,000 limit where rates displayed in the manual may be used or rounded to the lower whole dollar.

This procedure shall apply to all interim premium adjustments, including endorsements or cancellations at the request of the insured. In the case of cancellation by the Company, the return premium may be carried to the next higher whole dollar.

NOTE: The premium for "each exposure" means the premium developed for each coverage for each automobile after the application of all applicable discounts.

RULE 13. INSTALLMENT PAYMENT OF PREMIUMS

All motor vehicle insurance policy premium charges are due and payable on the effective date of the policy, subject to the provisions of the Deposit Premium Rule (Rule 14), unless an installment payment plan is selected (Rule 13a).

RULE 13a. PREMIUM PAYMENT PLAN

Premium payments may be made in multiple installments after an initial down payment is made. Payment of the unpaid balance will be subject to a flat dollar charge per installment (installment fee). The installment fee is reduced for customers paying by electronic funds transfer or waived for customers paying by payroll deduction. An annual finance charge may be charged on the unpaid balance.

RULE 13b. LATE PAYMENT FEE

Unpaid premium installment bills will be subject to a \$15 fee.

RULE 14. DEPOSIT PREMIUM RULE

A deposit premium of no more than 30% of the applicable annual premium may be required prior to the issuance of a policy. If the applicant has been in default in the payment of any premium for automobile insurance or merit rating adjustment during the preceding 24 months, the entire policy premium charges are payable in advance.

RULE 15. EMPLOYERS SUBJECT TO MASSACHUSETTS WORKERS' COMPENSATION ACT

Motor vehicles owned by an employer subject to the Massachusetts workers' compensation law not used at any time to transport persons other than employees of the named insured shall be eligible for a 25% reduction in the Personal Injury Protection premium otherwise applicable. A vehicle which qualifies for this reduction is not eligible for any Personal Injury Protection deductible.

**LIBERTY MUTUAL INSURANCE COMPANY
PRIVATE PASSENGER AUTOMOBILE
VARIABLE PAYMENT PLAN
EFFECTIVE 1/21/2017**

INSTALLMENT PLAN:

Installment Option	Number of Installments	Down Payment Percentage		
		NB-GSP	NB-Non GSP	Renewal Business
Annual	1	100%	100%	100%
Monthly	11	12%	20%	9.091%
Bi-Monthly	5	20%	30%	20%
Quarterly	4	25%	n/a	25%
Monthly (EFT only)	12	8.333%	8.333%	8.333%

Installments include down payment.

NB=New Business

GSP = Group Savings Plan. These are approved Automobile group discounts as prescribed in MGL 175§193

RB = Renewal business

Bi-Monthly = payments every 2 months

Installment Fee:

\$5² for Excellent Driver Discounts, Safe Driver Insurance Plan Points 0, 1 or 2

15% APR^{2&3} for Safe Driver Insurance Plan Points 3-45

2 = Based on drivers licensed 3 or more years

3 = 15% APR also applies where all assigned operators are licensed less than 3 years

EFT – \$2

Related Fees:

\$25 returned check fee * (EFT \$25**)

\$25 cancellation fee

\$15 late payment fee

Application of Related Fees:

* for any returned check

** After 2 consecutive insufficient fund EFT payments, policy switches to direct bill

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~~RULE 16. DEDUCTIBLES - PARTS 7, 8 and 9~~

**LIBERTY MUTUAL INSURANCE COMPANY
PRIVATE PASSENGER AUTOMOBILE
VARIABLE PAYMENT PLAN
EFFECTIVE ~~8/16/2009~~ 1/21/2017**

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3 = 15% APR also applies where all assigned operators are licensed less than 3 years

EFT – ~~no fee~~ \$2

Related Fees:

\$25 returned check fee * (EFT \$25**)

\$25 ~~late~~/cancellation fee

\$15 late payment fee

Application of Related Fees:

* for any returned check

** After 2 consecutive insufficient fund EFT payments, policy switches to direct bill

**LIBERTY MUTUAL INSURANCE COMPANY
PRIVATE PASSENGER AUTOMOBILE
VARIABLE PAYMENT PLAN
EFFECTIVE 10/1/2016**

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Installment Option	Number of Installments	Down Payment Percentage		
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