

Massachusetts Implements New Safe Driver Plan

The Commonwealth of Massachusetts has adopted a new Safe Driver Insurance Plan (SDIP). The new SDIP, which became effective on January 1, 2006, is based on the points assessed for at-fault accidents and conviction of certain traffic violations, as opposed to the old “step-based” system.

Under the new SDIP, accidents and convictions of traffic violations are tracked by the Merit Rating Board and used by insurance companies to determine a surcharge or discount “factor” to be applied to the policy premium when a policy is initially written and at each policy renewal. In addition to adopting the new SDIP, the state adjusted the entry-level insurance rates for all drivers to rates that assume 0 at fault accidents or convictions of traffic violations (one non-criminal driving violation is assigned 0 points).

The new SDIP will feature a range of surcharges from 0 to 45 points. Experienced drivers (those with six or more years of driving experience) will be charged 15% per point for accidents and moving violations. Inexperience drivers will be charged 7.5% per point for accidents and moving violations. The reduced surcharges for inexperienced drivers recognizes that they already pay a higher rate based on the assumption that, as new drivers, they are more likely to have accidents or violations.

The point values assigned to at-fault accidents and conviction of moving violations are:

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| Major Moving Violation | 5 points |
| Major Accident A claim payment of more that \$2,000, exclusive of any deductible, under Collision, Property Damage liability or Bodily Injury | 4 points |
| Minor Accident A claims payment of more that \$500, exclusive of any deductible, under Collision, Property Damage liability or Bodily Injury | 3 points |
| Minor Moving Violation* If the first incident on a driver’s record is a minor moving violation, no points will be assessed for that violation; however, it will not be counted as an incident-free year. | 2 points |

The new SDIP offers Two excellent driver awards:

- A driver with no accidents or violation in the six years preceding the effective date of the policy will earn the “Excellent Driver Discount Plus” (Step 99) which provides a discount of 17% from the published rates for Part 1 – Bodily Injury Liability, Part 2 – Personal Injury Protection, Part 4 – Damage to Someone Else’s Property and Part 7 – collision.
- A driver with no accidents or violations in the five years preceding the effective date of the policy will earn the “Excellent Driver Discount” (Step 98) which provides a discount of 7% from the published rates for Part 1 – Bodily Injury Liability, Part 2 – Personal Injury Protection, Part 4 – Damage to Someone Else’s Property and Part 7 – Collision. In addition, an experience operator (six or more years) with exactly one incident in the past five years which is a non-criminal traffic violation and is more than three years old will be awarded the “Excellent Driver Discount.”

As an incentive to drive safely, the new SDIP will allow the “aging” of incidents. When a driver has three or fewer accidents or violations in the past five years, and the most recent accident or violation is more than three years old, the number of points for each accident or violation will be reduced by one. Accidents or violations may only be “aged” once.