

Rating Information

Please read this form carefully. It will answer many of the questions you may have about your personal auto insurance premium.

Explanation of the Classification Code Shown on Your Declarations Page

Each covered private passenger auto on your auto insurance policy has been rated using a driver classification system. Your classification code is indicated on your policy declarations page. The information on this form explains the components of the classification code and is provided to help you determine how we classified your private passenger auto(s). The Company established the classification based on statements made by or on behalf of the named insured.

We will use the code SF41 for explanation purposes.

The first digit (S) indicates that the marital status of the rated driver where:

M = married living with spouse

S = other than married living with spouse

The second digit (F) indicates the gender of the rated driver

The remaining digits indicate the age of the rated driver

This driver classification system is used to develop premiums for Bodily Injury, Property Damage, Personal Injury Protection, Comprehensive, and Collision Coverages.

Additional Charges - Safe Driver Insurance Points (SDIP) may increase your premium based upon the following:

Charges are assessed for accidents and violations that fall within the three year period immediately preceding the date of policy binding or ending ninety days prior to the expiration date of the current policy for a renewal policy.

Each operator will be assigned an SDIP factor based on their driving record.

Accidents and Violations are considered for the following operators:

1. All licensed operators in the household.
2. All licensed operators outside the household who customarily operate one of the listed vehicles on the policy.
3. Exceptions: operators in the household who have obtained their own insurance policy; operators outside the household who have obtained their own vehicle and insurance.

The Company utilizes information from the following, but not limited to, sources:

1. The customer's disclosure (via phone, mail, electronic communication, application, or other correspondence)
2. Outside information providers of Motor Vehicle Reports and Claims Histories
3. The Company's own claim records

The Company will charge for accidents and violations occurring while a driver is operating a private passenger auto, commercial vehicle, motorcycle, or recreational vehicle.

If a point(s) has been assigned to an operator and it is later determined that the incident falls under one of the exceptions in this rule, the Company shall drop the surcharge point(s) and refund to the insured the increased portion of the premium generated.

The Company will charge only for the highest rated offense when multiple charges apply to the same occurrence or if occurrences happen on the same date. Violations that arise out of the same incident may be considered for purposes of tier placement.

NOTE: Applications with undisclosed losses, accidents, or violations are subject to re-rating back to the effective date of the policy.

Violation Definitions - Points shall be assigned for convictions during the experience period for motor vehicle violations as defined in New Jersey motor vehicle code.

All points will result in the corresponding point(s) assignment shown for that event, regardless of the state in which the event took place.

Forgiveness Program for Minor Speeding Violations - No penalty points shall be assigned for a driver's first speeding violation during the experience period of exceeding the maximum speed of 1–14 mph over limit provided:

1. that the first violation occurred on or after January 10, 1996; and
2. it is the first such violation within the experience period; and
3. the violation did not occur in a school zone.

Miscellaneous Point Charges

- Foreign License - Charge two points for operators who are validly licensed outside of the United States of America for at least three years. Charge three points for operators who are validly licensed outside of the United States of America for less than three years.
- Out of State License – Operators will be given sixty days to transfer valid out of state licenses to New Jersey licenses. Operators who do not transfer to New Jersey licenses within sixty days will be charged two points.
- Unverifiable Driving Record - Charge four points for operators whose driving record cannot be verified by an MVR. If a valid MVR is obtained during the underwriting review process, the Company will drop the surcharge point(s) associated with the Unverifiable Driving Record and refund to the insured the increased portion of the premium generated.
- Inexperienced Operator – Charge one point for each year within the preceding three years that an operator has not held a valid driver's license.

Accident Definitions – Unless an accident is deemed "not at fault" as defined in the "Accident Exceptions" section of this rule, accident points during the experience period shall be assigned five points for each accident if the cost to the insurer for any person injured or property damaged is determined to be at least \$1,000 in excess of any deductible applicable to the named insured and five points for each additional accident.

Accident Exceptions

Any accident occurring under the following circumstances shall not be considered an at-fault occurrence:

1. The named insured, or other insured driver, obtained a judgment against, or a settlement from or on behalf of, the person responsible for the accident and no judgment was obtained nor any amount paid in settlement by or on behalf of the named insured or other insured driver as a result of the accident; or
2. The accident occurred while the motor vehicle owned or operated by the insured or any insured driver was lawfully parked. An automobile rolling from a parked position shall not be considered as lawfully parked, but shall be considered as in the operation of the last operator.
3. The auto was struck in the rear by another vehicle and the named insured or other insured driver has not been convicted of a moving violation in connection with this accident; or
4. The operator of the other auto involved in the accident was convicted of a moving traffic violation and the named insured or other insured driver was not convicted of a moving traffic violation in connection with the accident; or
5. The automobile was struck by a hit and run driver, if such accident was reported to the proper authority within twenty-four hours of the incident; or
6. The accident occurred when using the automobile in response to an emergency if the insured driver at the time of the accident was a paid or volunteer member of any police or fire department, first aid squad, or any law enforcement agency. This exemption does not include an accident occurring after the automobile ceases to be used in response to such emergency; or
7. Physical damage losses, other than collision.

Discounts - The Company offers the following discounts which may decrease your premium.

Anti-Theft Device Discount (applies to comprehensive coverage) - An Anti-Theft Device Discount shall apply to all private passenger motor vehicles equipped with one or more anti-theft or vehicle recovery devices when the following criteria are met.

1. The vehicle is equipped with a qualifying Category I, II, III, or IV device as defined by New Jersey Administrative Code.
2. An Anti-Theft Device Discount Certification Form must be completed and signed by the named insured.
3. The named insured must produce at least one of the following items indicating installation of the device(s):
 - a. new car window sticker
 - b. invoice of purchase
 - c. physical damage inspection noting type and brand of device(s)

- d. reasonable proof that the vehicle is equipped with a properly installed device and the qualifying device is maintained and in working condition.

If a vehicle is equipped with two or more qualifying devices, only the highest single discount will apply, except for vehicles equipped with BOTH a Category III AND Category IV device.

Defensive Driving Discount (applies to bodily injury, property damage, personal injury protection, comprehensive, and collision coverages) - A Defensive Driving Discount shall be afforded to all vehicles in which the rated operator submits a certificate of completion of a defensive driver course approved by the New Jersey Motor Vehicle Department. The premium reduction will be effective for a 36 month period from the completion date of the course.

The rated driver must meet and maintain the following criteria:

- Not have taken the course as a result of an order or sentence imposed by a court or other governmental entity resulting from a conviction of an offense or a moving traffic violation, and
- Not be involved in an accident for which the insured is at fault
- Not be convicted of or plead guilty or nolo contendere to a traffic violation

This discount shall apply:

- To new and renewal policies with inception dates within 36 month period following the course completion date.
- Only once to each vehicle on the policy regardless of the number of driver improvement courses completed by each named insured.

Good Customer Discount (applies to bodily injury, property damage, personal injury protection, comprehensive, and collision coverages) - A Good Customer Discount is applicable to renewing policies that have been in force with the Company for at least twelve continuous months, no prior balances are owed to the Company, and no payments have been received past their due date.

Homeowners Discount (applies to bodily injury, property damage, personal injury protection, comprehensive, and collision coverages) - A Homeowners Discount is applicable for those customers who own and insure their own primary residence. Proof of ownership can be a copy of a current Homeowner Insurance policy with the named insured listed on the declarations page, a copy of the mortgage coupon, or tax records.

Multi-Car Discount (applies to bodily injury, property damage, personal injury protection, comprehensive, and collision coverages) - The Multi-Car Discount applies to a single policy insuring two or more private passenger autos which are principally garaged at the same location and either owned by an individual or jointly owned by two or more resident relatives. Motorhomes and trailers are not "counted" for purposes of applying a Multi-Car discount and do not receive the discount.

Paid In Full Discount (applies to bodily injury, property damage, personal injury protection, comprehensive, and collision coverages) - A Paid In Full Discount applies when 100% of the policy premium for the indicated term is paid at the time of binding or renewal.

Passive Restraint Discount (applies to personal injury protection coverage) - To qualify for the Passive Restraint Discount, the private passenger auto must be equipped with a factory installed automatic occupant restraint, which requires no action by vehicle occupants to engage the device, conforming to the federal crash protection requirements and meeting the criteria below.

- Single Airbag – At least one front airbag has been installed by the factory to protect the driver.
- Double Airbag – At least one front driver and at least one front passenger side airbag have been installed by the factory to protect both the driver and all front seat passengers.

Vehicles equipped more than one passive restraint device shall receive only the highest applicable discount level.

Personal Injury Protection Discount (applies to personal injury protection) - For named insured who are the owner and ONLY licensed driver in their household of two or more private passenger autos on the same policy, a discount shall apply to second and subsequent vehicles.

Prior Coverage Discount (applies to bodily injury, property damage, personal injury protection, comprehensive, and collision coverages) - A Prior Coverage Discount shall apply if the insured's prior personal auto policy provided coverage for at least six successive months with the same company without lapse **and** the expiration or cancel date is no more than 30 days prior to the policy inception date with The Company. In addition, the named insured must be listed on the previous policy. A Prior Coverage Discount will not be awarded to policies previously insured with The Company.

Proof of prior coverage must be supplied to the Company. Examples of proof of prior coverage are:

1. Company issued offer to renew the prior policy
2. Company issued letter of intent to non-renew
3. Cancellation notice from prior carrier

Neither a Declarations Page nor an Identification Card for the prior term is acceptable proof of coverage.

The Company offers discount levels based on the number of days lapsed from prior carrier.

Tiering - The Company segments policies into the following types of tiers, which affect your premium.

Insurance Score Tier (applies to Standard Policy bodily injury, property damage, personal injury protection, added personal injury protection, extended medical, comprehensive, and collision coverages) - Insureds are rated in Insurance Score Tiers based on consumer credit scores. When an insurance score is not obtained, policies will be assigned an Insurance Score Tier F. Insureds may request an updated credit score at policy renewal.

Extraordinary Life Event – An insured may request reconsideration of an Insurance Score Tier because of the direct influence of an Extraordinary Life Event. An extraordinary life event may include catastrophic illness or injury; death of a spouse, child, or parent; temporary loss of employment; divorce; or theft identity. A written request with pertinent documentation and detail must be submitted to The Company for review and consideration. Insureds with a qualifying Extraordinary Life Event will be assigned an Insurance Score Tier F.

Policy Tiering – (applies to bodily injury, property damage, personal injury protection, added personal injury protection, extended medical, comprehensive, and collision coverages) - Insureds are rated in Policy Tiers based on a combination of objective, mutually exclusive underwriting criteria including prior and current policy characteristics.