

IMPORTANT NOTICE

MINNESOTA HOMEOWNERS CLAIMS SURCHARGE OR DISCOUNT

Pursuant to Minnesota law, we are required to disclose our rating surcharges or discounts involving chargeable claims, or the lack of chargeable claims, associated with homeowner policies. A "chargeable" claim is any claim other than medical payment only, or catastrophe, or weather related claims, which include the freezing of pipes and the backup of sewers or drains. This surcharge or discount also applies to policies insuring condominiums, cooperative and rental units for qualifying claims occurring on or after September 26, 2011.

The amount of the surcharge or discount is determined by the number of qualifying homeowner claims at each residence based on the amount of house coverage and the length of time (known as "risk tenure") a customer has been insured with us. Likewise for condominiums, cooperatives and rental units, the surcharge or discount is based on the amount of contents and additions and alterations coverage at each residence, and the length of time (risk tenure) a customer has been insured with us.

The surcharge will be applied to the premium for the residence where the claim(s) occurred. It is applied for as long as there are qualifying claims within the last three years on the policy. The surcharge may also be adjusted and will be removed at the policy renewal when it no longer applies. See below for examples of how this surcharge can affect policy premiums.

You will note that we will apply a discount if a customer has no claims and has been insured with us for three or more years.

The following charts display the surcharge and discount percentages. The longer a home is insured with us, the less the amount of the surcharges and the greater the amount of the discounts.

It is a common practice among insurance companies to apply a surcharge due to claims. The state of Minnesota simply requires that these surcharges are disclosed at the time an application is made for homeowners, condominium, cooperative or renters insurance coverage.

Claims surcharge or discount percentage

Houses: Amount of house coverage \$1,000,000 or less

Condominium, Cooperative, Rental Units: Amount of contents and additions and alterations coverage \$250,000 or less

Risk tenure	Number of losses			
	0	1	2	3
1 year	0.0%	20.0%	44.0%	72.5%
2 years	0.0%	16.0%	39.2%	66.8%
3 years	-2.5%	12.0%	34.3%	61.2%
4 years	-3.3%	8.0%	29.5%	55.5%
5 years	-4.2%	5.3%	24.7%	49.7%
6 years	-5.0%	2.7%	19.8%	43.8%
7 years	-5.8%	0.0%	15.0%	38.0%
8 years	-6.7%	-2.5%	12.3%	32.0%
9+ years	-7.5%	-5.0%	9.5%	26.0%

Houses: Amount of house coverage equal to \$2,000,000

Condominium, Cooperative, Rental Units: Amount of contents and additions and alterations coverage equal to \$500,000

Risk tenure	Number of losses			
	0	1	2	3
1 year	0.0%	15.0%	35.5%	60.0%
2 years	0.0%	10.8%	30.7%	54.2%
3 years	-2.5%	6.7%	25.8%	48.3%
4 years	-3.3%	2.5%	21.0%	42.5%
5 years	-4.2%	0.8%	17.0%	37.8%
6 years	-5.0%	-0.8%	13.0%	33.2%
7 years	-5.8%	-2.5%	9.0%	28.5%
8 years	-6.7%	-3.8%	5.8%	24.8%
9+ years	-7.5%	-5.0%	2.5%	21.0%

We interpolate for house coverage amounts between \$1,000,001 and \$1,999,999.

We interpolate for contents and additions and alterations coverage amounts between \$250,001 and \$499,999.

Houses: Amount of house coverage \$5,000,000 or greater

Condominium, Cooperative, Rental Units: Amount of contents and additions and alterations coverage \$1,000,000 or greater

Risk tenure	Number of losses			
	0	1	2	3
1 year	0.0%	10.0%	26.5%	45.5%
2 years	0.0%	6.7%	22.7%	41.2%
3 years	-5.0%	3.3%	18.8%	36.8%
4 years	-5.8%	0.0%	15.0%	32.5%
5 years	-6.6%	-1.7%	11.7%	28.7%
6 years	-7.5%	-3.3%	8.3%	24.8%
7 years	-8.3%	-5.0%	5.0%	21.0%
8 years	-9.1%	-6.2%	2.5%	18.0%
9+ years	-10.0%	-7.5%	0.0%	15.0%

We interpolate for house coverage amounts between \$2,000,001 and \$4,999,999.

We interpolate for contents and additions and alterations coverage amounts between \$500,001 and \$999,999.

Example:

Amount of house coverage is \$1,000,000
Risk tenure (length of time as a customer) 1 year
Number of losses is 1

\$1,000 Homeowner Premium
x 20.0% Claims surcharge
\$ 200 Claims surcharge amount added to premium.

Example:

Amount of contents and additions and alterations coverage is \$1,000,000
Risk tenure (length of time as a customer) 1 year
Number of losses is 2

\$1,000 Contents and Additions and alterations premium
x 26.5% Claims surcharge
\$ 265 Claims surcharge amount added to premium

Please let your agent or broker know if you have any questions about the information provided above.

Chubb Group of Insurance Companies ("Chubb") is the marketing name used to refer to the insurance subsidiaries of The Chubb Corporation. Chubb Personal Insurance ("CPI") is the personal lines property and casualty strategic business unit of Chubb & Son, a division of Federal Insurance Company, as manager and/or agent for the insurers of Chubb Group of Insurance Companies.

Actual coverage is subject to the language of the policy as issued.

Chubb Personal Insurance, P.O. Box 1600, Whitehouse Station, NJ 08889-1600