

RATING INFORMATION - MARYLAND

Your auto has been classified under a six digit numerical code (for example, 887110) as indicated on the policy Declarations Page. The classification is established on the basis of statements made by or on behalf of the named *insured*.

This classification applies to the following coverages: single limit liability (or *bodily injury* and *property damage* liability), personal injury protection, *medical payments*, other than *collision*, and *collision*.

Each digit of the six digit code represents a component of the classification plan we use. You can determine how we classified your auto by locating the six digit classification code on your policy Declarations Page and using the information on the following pages to determine what each digit represents.

We will use code 887110 as an example for the purpose of explaining what each digit of the classification code represents.

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The 1st digit (the 8 in the example 887110) is always 8 and identifies the auto as a private passenger auto.

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The 2nd and 3rd digits (the 87 in the example 887110) indicate the OPERATOR CLASSIFICATION. It is based on the age, sex, marital status and driver training status of the operators.

OPERATOR CLASSIFICATION

2nd and 3rd Digits		Definitions
No Youthful Operator		
86		Only Operator Is A Female Age 30 to 49
85		Principal Operator Age 50-64
80		Principal Operator Age 65-74
03		Principal Operator Age 75 or Over*
87		All Other
Youthful Unmarried Female Not Owner or Principal Operator		
02		Age 17, or less, Without Driver Training
03		18,
04		19,
05		20
06		Age 17, or less, With Driver Training
07		18,
08		19,
09		20
25		Age 21 thru 24, With or Without Driver Training
Youthful Married Male		
92		Age 17, or less, Without Driver Training
93		18,
94		19,
95		20
96		Age 17, or less, With Driver Training
97		18,
98		19,
99		20
55		Age 21 thru 24, With or Without Driver Training

* **Note** : If the 2nd and 3rd Digits are 03 and the 4th Digit is a 4, 5, 6 or 7, the operator is classified as a youthful operator.

2nd and 3rd Digits		Definitions
Youthful Unmarried Female Owner or Principal Operator		
12	13 14 15	Age 17, or less, Without Driver Training
13		18,
14		19,
15		20
16	17 18 19	Age 17, or less, With Driver Training
17		18,
18		19,
19		20
35	Age 21 thru 24, With or Without Driver Training	
Youthful Unmarried Male, Not Owner or Principal Operator		
40	40 45 45	Age 17, or less, Without Driver Training
40		18,
45		19,
45		20
46	47 48 49	Age 17, or less, With Driver Training
47		18,
48		19,
49		20
75	Age 21 thru 24, With or Without Driver Training	
Youthful Unmarried Male Owner or Principal Operator		
60	60 65 65	Age 17, or less, Without Driver Training
60		18,
65		19,
65		20
66	67 68 69	Age 17, or less, With Driver Training
67		18,
68		19,
69		20
70	Age 21 - 24, and Age 25 - 29 With or Without Driver Training	

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The 4th digit (the 1 in the example 887110) indicates the USE CLASSIFICATION, which identifies the way the auto is used.

USE CLASSIFICATION

4th Digit	Definitions
No Youthful Operator	
1	Pleasure Use
2	Work less than 15 Miles
3	Work 15 or More Miles
8	<i>Business</i> Use
9	Farm Use
Youthful Operator	
0, 1	Pleasure Use or Farm Use Without Good Student Discount
2, 6	Pleasure Use or Farm Use With Good Student Discount
3,5,9	Drive to Work or <i>Business</i> Use Without Good Student Discount
4	Pleasure Use or Farm Use Without Good Student Discount; or Drive to Work or <i>Business</i> Use With Good Student Discount
7, 8	Drive to Work or <i>Business</i> Use With Good Student Discount; or Pleasure Use or Farm Use for an Unmarried Male Age 25-29, Owner or Principal Operator Without Good Student Discount

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The 5th digit (the 1 in the example 887110) indicates the number of cars *insured*.

NUMBER OF CARS

5th Digit	Number of Cars Insured
1	Only one car
2	More than one car

Code 2 indicates that *your* policy has received a Multi-Car Discount. The discount applies if more than one private passenger auto is owned by an individual or owned jointly by two or more relatives or resident individuals, and two or more such autos are *insured* in the same company for any of the following coverages:

Single limit liability (or *bodily injury* and *property damage* liability), personal injury protection, *medical payments*, other than *collision*, and *collision*.

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The 6th digit (the 0 in the example 88711 **0**) indicates the SAFE DRIVER CLASSIFICATION. This identifies points accumulated under the Safe Driver Insurance Plan, which is described on page 4.

DEFINITIONS

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 going to or 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
 - b. personal use including driving to or from work or school:
 - (1) less than 3 road miles one way; or
 - (2) 3 or more, but less than 15, road miles one way for not more than 2 days per week or not more than 2 weeks in any 5 week period.
4. **WORK LESS THAN 15 MILES** means:
 - a. no BUSINESS USE
 - b. personal use including driving to or from work or school:
 - (1) 3 or more, but less than 15, road miles one way if such usage is more than 2 days per week or more than 2 weeks in any 5 week period; or
 - (2) 15 or more road miles one way, for not more than 2 days per week or not more than 2 weeks in any 5 week period.
5. **WORK 15 OR MORE MILES** means:
 - a. no BUSINESS USE
 - b. personal use including driving to or from work or school 15 or more road miles one way more than 2 days per week or more than 2 weeks in any 5 week period.
6. **YOUTHFUL OPERATOR** means an applicant or any other operator resident in the same household as the applicant, who customarily operates the auto, and is one of the following:
 - a. YOUTHFUL UNMARRIED FEMALE OPERATOR - unmarried female under 25 years of age;
 - b. YOUTHFUL MARRIED MALE OPERATOR - married male under 25 years of age;
 - c. YOUTHFUL UNMARRIED MALE OPERATOR - unmarried male under 25 years of age who is not an owner or principal operator;

- d. YOUTHFUL UNMARRIED MALE OWNER OR PRINCIPAL OPERATOR - unmarried male under 30 years of age who is an owner or principal operator.

Notes:

1. A person in active military service with the armed forces of the United States of America is not considered a resident in the applicant's household unless this person customarily operates the auto.
2. If a YOUTHFUL UNMARRIED FEMALE OPERATOR or a YOUTHFUL UNMARRIED MALE OPERATOR is a student residing at an educational institution over 100 road miles from the auto's place of principal garaging, the auto is rated as if the student is MARRIED.
3. The applicable Driver Training Classification applies to each Youthful Operator under 21 years of age where Satisfactory Evidence is presented that such operator has successfully completed an approved driver education course.
4. The applicable Good Student Classification applies to each owner or operator who is at least 16 years of age and is a full-time high school, college or university student and has met the requirements for the Good Student Discount. Generally, this means students with a B average or better.

SAFE DRIVER INSURANCE PLAN

The Plan under which *your* policy is rated uses past experience, accidents and convictions, as part of the determination of *your* premium cost. The point system described below has been established under which those drivers that have no points receive the lowest premiums. Higher premiums are charged for other driver- based upon the number of points they have accumulated during the experience period.

If *you* have accumulated points, *you* will pay higher premiums on the following coverages: *bodily injury* and *property damage* liability (or single limit liability), personal injury protection, *medical payments*, other than *collision*, and *collision*. However, any points *you* accumulate will not increase *your* premium for any other coverage.

If a policy insures more than one operator and the policy is subject to SDIP Driving Record Point assignment because of the driving record of one or more but fewer than all of the operators *insured* under the policy, we will offer, in lieu of SDIP Driving Record Point assignment, to exclude all coverage when a motor vehicle is operated by the specifically named excluded operator or operators whose driving record or records would have generated the assignment of SDIP Driving Record Points.

No SDIP Driving Record Points will be assigned based on the convictions or accidents of any excluded operators.

1. Convictions

Points shall be assigned for convictions during the experience period for motor vehicle violations of the applicant or any other currently resident operator.

- a. three points are assigned for conviction of:
 - (1) driving while intoxicated or under the influence of drugs; or
 - (2) failure to stop and report when involved in an accident; or
 - (3) homicide or assault arising out of the operation of a motor vehicle; or
 - (4) driving during a period while license is suspended or revoked.
- b. one point shall be assigned for conviction of any other moving traffic violation resulting in suspension or revocation of an operator's license.

2. Accidents

Points shall be assigned for each accident that occurred during the experience period, involving the applicant or any current resident operator, while operating an auto.

- a. One point is assigned for each auto accident that results in:
 - (1) *Bodily injury*, or death; or
 - (2) Total damage to all property, including *your* own in excess of \$1,000.
- b. One point is assigned if, during the experience period, there were two or more accidents each of which resulted in damage to property but have not been assigned a point under (a) above.

Exceptions:

- a. No points are assigned for accidents incurred by an operator demonstrated to be a named *insured* or a principal operator of an auto *insured* under a separate policy; and
- b. No points are assigned for accidents occurring under the following circumstances:
 - (1) auto lawfully parked; or
 - (2) the applicant, owner or other resident operator was reimbursed by, or on behalf of, a person who is responsible for the accident or has judgment against such person; or
 - (3) auto is struck in the rear by another vehicle and the applicant or other resident operator has not been convicted of a moving traffic violation in connection with this accident; or
 - (4) operator of the other auto involved in the accident was convicted of a moving traffic violation and the applicant or resident operator was not convicted of a moving traffic violation in connection with the accident; or
 - (5) auto operated by the applicant or any resident operator is struck by a "hit and run" vehicle, if the accident is reported to the proper authority promptly by the applicant or resident operator; or
 - (6) accidents involving damage by contact with animals or fowl; or
 - (7) accidents involving physical damage, limited to and caused by flying gravel, missiles, or falling objects; or
 - (8) accidents occurring when using an auto in response to an emergency if the operator of the auto 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 exception does not include an accident occurring after the auto ceases to be used in response to such emergency; or
 - (9) the applicant, owner or other resident operator receives payment only under Personal Injury Protection Coverage.

3. Inexperienced Operator

One point is assigned if the principal operator of the auto has not been licensed for two years. Sub-Classification 1B applies. (6th digit code 5)

If any operator of the auto has a point assigned for an accident or conviction, Sub-Classification 1A applies. (6th digit code 1)

4. Refund of Surcharged Premium

If a point has been assigned for an accident and it is later determined that the accident falls under one of the exceptions in this rule, we shall refund to *you* the increased portion of the premium generated by the accident.

5. Experience Period

The experience period is the three years immediately preceding the date of application or the preparation of the renewal. A point assigned for an accident or conviction shall apply for no more than three years from the date the point is initially assigned.

The experience period is the three years prior to the effective date of the policy for both new and renewal policies.

6. Driving Record Sub-Classification

1. The driving record sub-classification shall be determined from the number of Driving Record Points accumulated during the experience period as follows:

<u>Number of Driving Record Points</u>	<u>Driving Record Sub-Classification</u>
0	0
1	1
2	2
3	3
4 or more	4 or more

The Driving Record Sub-Classification, as determined above, shall apply to each auto as shown under Multi-Car Section in the Secondary Table. The Secondary Rating Factors are determined by the number of SDIP points and the total number of points displayed on the driver's motor vehicle record for each violation listed below:

Any Moving Violation Involving an Accident	Three Points
Driving Unsupervised with a Learner's Permit	Five Points
Driving Without a License	Five Points
Driving Without Insurance	Five Points
Failure to Stop for a Stopped School Bus	Two Points
Following Too Closely	Two Points
Passing an Emergency Vehicle	Two Points
Permitting an Unauthorized Person to Drive	Five Points
Racing or Speed Contest	Five Points
Reckless Driving	Six Points
Speeding : Ten or more miles over limit	Two Points
Thirty or more miles over limit	Five Points
Transporting Dangerous Substances	Three Points

Exceptions:

Points assigned under the SDIP rule for Convictions and Accidents will not be charged under this section.

HOW DRIVING RECORD POINTS AFFECT YOUR PREMIUM

As noted earlier, if *you* have accumulated Driving Record Points, *you* will pay higher premiums on the following coverages: *bodily injury* and *property damage* liability (or single limit liability), personal injury protection, *medical payments*, other than *collision*, and *collision*.

Using class code 887110 for the purpose of this explanation, the 6th digit (the 0 in the example 88711 **0**) indicates the SAFE DRIVER CLASSIFICATION. This identifies points accumulated under the Safe Driver Insurance Plan.

The number of points *you* accumulate affects *your* premium. Those drivers that have no points receive the lowest premiums. Higher premiums are charged for other drivers based upon the number of points they have accumulated during the experience period. The chart below shows the rating factors associated with each point.

SAFE DRIVER CLASSIFICATION		
6TH Digit	Number of Points	SDIP Rating Factor
0	No Points	0.00
1 or 5*	One Point	+0.40
2	Two Points	+0.90
3	Three Points	+1.50
4	Four Points	+2.20
9	Code 9 means the Safe Driver Insurance Plan was not used in rating <i>your</i> policy. <i>Your</i> agent or broker can provide more information about how <i>your</i> policy was rated.	

To give an example of how these rating factors affect *your* premium, consider an example of a 40 year-old adult operator who uses his/her vehicle for pleasure use only, and who has NOT accumulated points under the SDIP. The rating factor for this operator would be 1.00.

Now, assume that this operator accumulates One SDIP Point. To determine his/her new rating factor reflecting this point, *you* would add the One Point rating factor of +0.40 to the 1.00 base rating factor. The resulting rating factor for this operator would be 1.40, reflecting this operator's One SDIP Point.

Your agent or broker can provide you with more information about your base rating factor, and other details about how your policy was rated.

- In some cases, a code 5 will appear as the 6th digit. Code 5 means that no one on your policy has been involved in an accident or has been convicted of a violation, but your policy has been assigned One Point because a principal operator of a vehicle on the policy has been licensed for less than two years.

Coverage Discounts

1. A discount on *comprehensive* coverage is afforded for vehicles equipped with eligible anti-theft devices.
2. A discount on personal injury protection and/or *medical payments* coverage premiums is afforded for private passenger autos equipped with eligible factory installed automatic occupant restraints, conforming to the federal crash protection requirements.
3. A discount on *bodily injury* and *property damage* liability (or single limit liability) coverage premiums is afforded for private passenger autos equipped with a factory installed four wheel anti-lock braking system.
4. A discount on *bodily injury* and *property damage* liability (or single limit liability), personal injury protection, *medical payments*, other than *collision*, and *collision* coverages that applies to each vehicle is afforded, if all operators *insured* on the policy were continuously *insured* with the same insurer for the three year period immediately preceding the effective date of the policy, not convicted of a moving violation, and not involved in a chargeable accident.
5. A package discount on *bodily injury* and *property damage* liability (or single limit liability), *uninsured motorists*, other than *collision* and *collision* coverages is afforded to each vehicle on a policy that consists of an auto, home and umbrella under the same policy number.
6. A discount on *bodily injury* and *property damage* liability (or single limit liability), personal injury protection, *medical payments*, other than *collision*, and *collision* coverages is afforded if there are more vehicles than drivers on the policy. The discount is applied to the extra vehicle(s).
7. A discount on *bodily injury* and *property damage* liability (or single limit liability), personal injury protection, *medical payments*, other than *collision*, *collision* and optional coverages is applied if the insured maintains continuous auto insurance for five years with this Company, an affiliate and/or one other carrier. A smaller discount is applied for three years of continuous coverage.
8. A discount on *bodily injury* and *property damage* liability (or single limit liability), personal injury protection, *medical payments*, other than *collision*, *collision* and optional coverages is applied if the annual premium associated with all lines written with the Company or its affiliates is \$25,000 or greater.
9. A discount on *bodily injury* and *property damage* liability (or single limit liability), personal injury protection, *medical payments*, other than *collision*, *collision* and optional coverages is applied if the insured maintains a Valuables policy with a total limit of at least \$100,000 or a jewelry coverage limit of at least \$50,000.
10. A discount on *bodily injury* and *property damage* liability (or single limit liability), personal injury protection, *medical payments*, other than *collision*, and *collision* coverages is applied if the insured qualifies for a Mass Merchandising Program.

OTHER FACTORS THAT MAY AFFECT YOUR PREMIUM

A factor based on your Insurance Bureau Score is applied to each of the following coverages: *bodily injury* and *property damage* liability (or single limit liability), *medical payments* and/or personal injury protection, *uninsured motorists*, other than *collision* and *collision*, and optional coverages. Depending upon your score, these factors range from a discount of up to 25% to a surcharge of up to 40%. If you were adversely affected by your credit score, we will review your credit history every two (2) years or at your request (maximum of once per policy period) and adjust your premium for any improvement in your score, in accordance with our filed rating plan.