

PENNSYLVANIA SURCHARGE DISCLOSURE NOTICE

In accordance with Pennsylvania Law, we are providing you with an explanation of our Safe Driver Insurance Plan, under which your policy has been rated, and the plan's effect on your automobile rate in the event of a chargeable accident(s) and/or conviction(s).

What is the Safe Driver Insurance Plan?

The Safe Driver Insurance Plan (hereafter referred to as "SDIP") uses past experience (accidents and convictions) as part of the determination of your premium cost. The plan described below has been established so that 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 experience period is the three year interval between the date of the initial claim payment resulting from any one accident which meets the applicable dollar threshold, and the date of the application or the preparation of the renewal.

Premiums for the following coverages are affected by the SDIP Plan: Liability, First Party Benefits, Comprehensive and Collision.

Driving Record Points

A. CHARGEABLE ACCIDENTS

Points are assigned for accidents that occur during the experience period involving the applicant or any resident operator while operating a private passenger auto as follows:

- 1) One point is assigned for each accident for which an insurer paid a claim for injury to any person or damage to any property if the payment meets or exceeds the following amounts:
 - a) \$1,150 if the accident occurred on or after July 1, 2005, but before July 1, 2008.
 - b) \$1,350 if the accident occurred on or after July 1, 2008, but before July 1, 2011.
 - c) \$1,450 if the accident occurred on or after July 1, 2011.

B. CONVICTIONS

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

- 1) Three points are assigned for conviction of:
 - a) driving while intoxicated or under the influence of drugs;
 - b) failure to stop and report when involved in an accident resulting in bodily injury;
 - c) homicide or assault arising out of the operation of a motor vehicle; or
 - d) driving while license is suspended or revoked.
- 2) Two points are assigned for the accumulation of points or a series of convictions requiring the filing of evidence of financial responsibility.
- 3) One point is assigned for conviction of any other moving traffic violation resulting in:
 - a) suspension or revocation of an operator's license; or
 - b) the filing of evidence of financial responsibility

Exceptions to Point Assignment

C. EXCEPTIONS

- 1) 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.
- 2) No points are assigned for accidents incurred by an operator demonstrated to no longer reside in the insured's household.

- 3) No points are assigned for accidents occurring under the following circumstances:
- a) auto lawfully parked (if the parked vehicle rolls from the parked position, then any such accident is charged to the person who parked the auto);
 - b) the insurer is reimbursed by, or on behalf of, the named insured or other resident operator for 60% or more of the total amount of the paid claim;
 - c) 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 the accident;
 - d) operator of the other auto involved in the accident was convicted of a moving traffic violation and the applicant or resident operator was not;
 - e) 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 within 24 hours by the applicant or resident operator;
 - f) accidents involving damage by contact with animals or fowl;
 - g) accidents involving physical damage limited to and caused by flying gravel, missiles, or falling objects;
 - h) accidents occurring when using the auto in response to an emergency if the operator 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
 - i) accidents resulting in an amount being paid on behalf of an insured only under Basic, Added or Combination First Party Benefits Coverage or under Extraordinary Medical Benefits Coverage.

Inexperienced Operator

If the principal operator of an auto has no surcharge for an accident, but has been licensed for less than three years, one point is assigned.

Surcharge Calculation

The total number of points assigned determines the surcharge. The following shows the surcharge as a percentage increase of the base premium.

		Percentage Increase of the Base Premium	
Total Points	SDIP Factor	One Car	Multi* Car
1 Point	0.42	42%	21%
2 Points	1.30	130%	65%
3 Points	1.50	150%	75%
4 Points	2.20	220%	110%

*With two cars, this surcharge applies to each car. If there are more than two cars, it applies to the two cars with the highest premium. Usually these are the highest valued cars.

**Minor
Violation
Surcharge**

These percentage surcharges are illustrative of the effect on the base premium only. While the base premium is different depending upon the rating territory, the base premium does not vary for other considerations such as your age or marital status. Therefore, the dollars of surcharge will be the same for all drivers with equivalent coverage in any particular territory. However, the percentage of surcharge when compared to your total premium, which does recognize among other things your age and marital status, could vary somewhat from the above cited percentages.

You may be able to determine the points assigned to you by looking at your policy. The Declarations Page includes a six digit code such as 8111-10. The last digit shows the number of points. The zero indicates no points in this case.

A minor violation surcharge will be applied for each violation provided that 2 or more minor violations have been committed by the same operator covered on the policy within a 36 month time period. The surcharge rates are as follows:

# Incidents	Adult	Youthful
First 4 Moving Violations	15% per Moving Violation	20% per Moving Violation
5th and Subsequent	20% per Moving Violation	30% per Moving Violation

For more information about these surcharges, please contact your agent.