

## **Important Rating Information About Your Maryland Auto Insurance Policy**

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Your auto policy has been classified based upon the information provided to us by the named insured.

### **Why Your Premium May Be Adjusted**

The amount you pay for your automobile insurance is determined by a number of factors. Should one of these factors change, your premium will be adjusted accordingly.

Your premium may be adjusted if any of the following change:

- The number and type of vehicles insured on the policy
- How you use your vehicle
- The drivers insured on the policy
- The drivers' ages or marital status
- The driving records of the drivers insured on the policy
- Coverage choices
- Deductible and limit choices
- The rating territory
- Discounts
- Financial Responsibility (only used if improved)
- Number of late premium payments

If there are other reasons premium is adjusted, for example, as a result of a rate change, the company will inform you.

### **A. Territorial Relativity**

Your premium is based upon where in the state of Maryland you live.

### **B. Tier Factor**

Your tier placement is determined based upon various criteria such as your prior insurance history, the bodily injury limits you had with your prior insurance carrier, if you fully disclosed your driving history and non-chargeable incidents.

### **C. Household Driving Factor**

This factor is made up of three components:

1. Driver Class Factor – each operator listed on the policy is classified based upon their respective age, gender and marital status. In addition, the composition of the household is used. The Household Structure Factor takes into account the relationship of youths to ownership of the policy and parental presence. Classification and household structure factors vary by coverage.
2. Driving Record Point Surcharge – each operator is assigned points based upon their driving history made up of both chargeable violations and at-fault accidents. A surcharge that corresponds to the total points accumulated is applied. Following are point assignments used in the development of the surcharge:

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For Collision Coverage

<u>Accident / Violation</u>	<u>1<sup>st</sup> Offense</u>	<u>2<sup>nd</sup> Offense</u>	<u>Each Additional Offense</u>
Speeding violation	2	2	2
Other minor violation	3	2	2
At-fault accident	3	4	9
Not-at-fault accident	0	0	0
Alcohol related violation	1	5	4
Major violation	4	4	4

For Comprehensive and Loan/Lease Coverage

<u>Accident / Violation</u>	<u>1<sup>st</sup> Offense</u>	<u>2<sup>nd</sup> Offense</u>	<u>Each Additional Offense</u>
Speeding violation	2	3	3
Other minor violation	3	3	5
At-fault accident	2	1	1
Not-at-fault accident	0	0	0
Alcohol related violation	1	2	3
Major violation	4	4	4

For All Other Coverages except Uninsured Motorist Coverage: Payments made under Personal Injury Protection coverage will not cause points to be assigned to any person.

<u>Accident / Violation</u>	<u>1<sup>st</sup> Offense</u>	<u>2<sup>nd</sup> Offense</u>	<u>Each Additional Offense</u>
Speeding violation	2	1	1
Other minor violation	2	3	2
At-fault accident	4	6	9
Not-at-fault accident	0	0	0
Alcohol related violation	1	2	5
Major violation	4	4	4

Following is information that describes violation, at-fault accident and not-at-fault accident classifications.

**Major Violations**

Following are examples of violations that are considered major:

- Committing homicide or assault with an auto
- Leaving the scene of an accident
- Using an auto to commit a felony
- Taking part in a prearranged speed race or drag race
- A currently suspended license, or a past conviction of driving while one's license is suspended or revoked
- Driving in a reckless manner
- Fleeing or attempting to elude a police officer while driving

**Minor Violations**

Generally, with some exceptions, any other type of moving violation is considered minor. Following are examples of violations that are considered exceptions and are not chargeable:

- A motor vehicle equipment requirement violation
- Failure to display proper license plate numbers, provided that proper license plates are in existence
- Failure to have in possession an operator's or chauffeur's license, provided that there is a proper license in existence
- Failure to sign or display a registration card
- Failure to wear a seatbelt
- Failure to provide proof of insurance when required

**Accidents**

An accident is chargeable if the accident:

- Occurred within the 36 months before the new policy's effective date,
- Involved a private passenger automobile while it was owned by or driven by the named insured, the named insured's spouse, or any other individual currently residing in the same household who will operate automobiles covered under the policy,
- Was caused in whole or in part by the one of the individuals who will be covered under the policy,
- Resulted in damage to property, excluding that property owned by or in the care, custody or control of the driver, in excess of \$1,000 and/or
- Resulted in any bodily injury or death.

An accident shall not be chargeable if one or more of the following is true:

1. the accident involved vehicle damage caused by contact with a bird or animal;
2. the accident occurred while the automobile was lawfully parked;
3. the owner or operator of the insured automobile has been reimbursed for more than 50% of the property damage loss by, or on behalf of another person responsible for the accident, or has obtained judgment against the other person for more than 50% of the property damage loss;
4. the operator's automobile was struck in the rear by another vehicle and the operator was not convicted of a moving violation in connection with the accident;
5. the operator of the vehicle was not convicted of a moving violation in connection with the accident, and the operator of the other vehicle involved in the accident was convicted of a moving violation;

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6. the accident, involving physical damage, was limited to and caused by flying gravel, missiles or falling objects;
  7. the operator's automobile was struck by a "hit-and-run" driver;
  8. the accident, occurred when the operator was using a vehicle in response to an emergency and the operator was a member of any police or fire department, medical emergency department or any law enforcement agency;
  9. the operator was a law enforcement officer engaged in law enforcement activity and operating a vehicle provided by a law enforcement agency;
  10. the loss was covered under comprehensive coverage and the payment was \$1,000 or more;
3. Driver Class Point Matrix Factor – each operator is assigned a rating factor based upon age, total driving record points and loss tier. These factors vary by coverage.

**D. Household Vehicle Usage**

Your automobile premiums are developed using a vehicle usage matrix. The matrix assigns a rating factor based upon the number of drivers and vehicles within a household. Household vehicle usage factors do not vary by coverage.

**E. Type of Vehicle Usage**

Your automobile premiums are developed using a type of use rating factor for each vehicle. Type of use factors do not vary by coverage, and include pleasure, commute to work/school and business.

**F. Increased Limit and Deductible Factors**

Your automobile premium will vary based upon the limits and deductibles that you choose.

**G. Expense Constant**

An expense constant is included in the total premium to cover general expenses related to the policy. The expense constant is based on the policy's Market Tier and the number of vehicles insured on the policy.

**H. Miscellaneous Surcharges**

A surcharge will apply at renewal based upon your Market Tier and the presence of a late payment record. A late payment record is created when a cancel notice for non-payment of premium has been issued as the result of Non-Sufficient Funds or failure to pay the premium when due. Late payment history will be reviewed over a 24-month period.

A surcharge will apply to all drivers with less than 3 years driving experience.

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**I. Model Year and Symbol Factors.**

Your automobile premiums will vary based upon the specific vehicle that you are insuring.

**J. Discounts**

There are a number of discounts that may apply to your Esurance auto insurance policy. Following are the discounts that are available to drivers in Maryland.

**1. Core Discount**

A core discount applies to Bodily Injury, Property Damage, Personal Injury Protection, Comprehensive, and Collision coverages if an insured meets one of the following criteria:

**Multi-Car Discount**

Policyholders insuring more than one vehicle are eligible to receive a multi-car discount. This discount does not apply if there are separate insurance policies for each of the vehicles. This discount is automatically applied to your policy.

**Homeowner's Discount**

Policyholders owning a home are eligible to receive a homeowner discount. The discount does not apply to mobile home owners. Youths living with their parents do not qualify unless the parents are listed and rated on the policy. Acceptable proof of home ownership includes: a homeowner's declarations page, a mortgage coupon, or property tax records.

**Paid in Full Discount**

Policyholders who choose the 1-pay bill plan at point-of-sale or prior to renewal for the subsequent term are eligible to receive a paid in full discount. This discount is automatically applied to your policy.

The Core Discount is greatest for insureds meeting each of the three criteria previously described. The Core Discount varies by Tier.

**2. Good Driver Discount**

In order to qualify for the Good Driver Discount, the named insured must have completed the immediately preceding three years of continuous insurance coverage with Esurance Insurance Company without a moving traffic violation, without more than one point and with no chargeable accident.

**3. Good Student Discount**

Drivers under age 25 that are a full time student may qualify for a good student discount. GPA must be a "B" or better or 3.0 on a "4.0" grade scale to qualify for the discount. Documentation demonstrating qualification for discount is required no less than annually. Students that have recently graduated will qualify to continue the discount for a period of one year from the last documented qualification for the discount.

Full time student must be currently enrolled in High School or Accredited College or University.

**4. Education Discount**

Drivers with a high school degree or higher will receive a discount. The discount increases with the amount of education completed. Drivers with a bachelor's degree or graduate degree will receive the largest discount available.

**5. Switch & Save Discount**

A discount will be applied to customers who have current insurance with another carrier at the time they purchase their policy from Esurance. The discount will apply only to the first two policy terms and is prorated..

**6. Expense Savings Discount**

A discount will be applied to customers who start or complete the sale of their policy through our website, [www.esurance.com](http://www.esurance.com). The discount will apply only to the first policy term and is prorated.

**7. Claims Free Discount**

Policyholders without any accidents or claims in the past 5 years will receive a 15% discount on the policy that will remain on their policy as long as they continue to remain claim-free as an Esurance customer.

**8. Time at residence Discount**

A 1% discount for each year the policyholder has lived at their current residence up to 8% after the 8th year. Continues at renewal and will be removed if garaging ZIP Code changes.

**9. Future Effective Date Discount**

A discount will be given if the policy is purchased twenty-four (24) hours before the effective date of coverage. The Discount continues to apply at renewal.

**10. Affinity Group Discount**

A discount is applied to policies if a listed operator belongs to an identified affinity group, which may include Esurance marketing partners, professional organizations or alumni associations.

**K. Rate Modification Factor**

Your automobile premium will vary based upon the financial responsibility of the named insured.