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**PENNSYLVANIA
PRIVATE PASSENGER AUTO
RULE MANUAL**

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RULE 1: DEFINITIONS (version 09/30/2002)

A. PRIVATE PASSENGER VEHICLE

1. A PRIVATE PASSENGER AUTO is a four wheel passenger motor vehicle, other than a truck type, owned or leased under contract for a continuous period of at least six months by the named insured or a resident relative, which is not:
 - a. used as a public or private livery conveyance for passengers
 - b. rented for others
 - c. used for commercial purposes
 2. A motor vehicle that is a pickup or van shall be considered a private passenger vehicle if all of the following conditions are met:
 - a. it has a gross weight not exceeding 9,000 pounds
 - b. it is owned by an individual or by a husband and wife who are residents of the same household, and
 - c. it is not customarily used in the occupation, profession, or business of the insured other than farming or ranching
 3. A motor vehicle that is owned by a farm family co-partnership or farm family corporation shall be considered a private passenger auto owned by two or more relatives who are residents of the same household if the following two conditions are met:
 - a. it is principally garaged on a farm or ranch
 - b. it otherwise meets the definitions in 1 and 2 above
 4. A motor vehicle that is a pickup, panel truck, or van used in the business of the United States Government by an employee of the Government, may be considered a private passenger auto if the following four conditions are met:
 - a. it has a gross weight not exceeding 9,000 pounds
 - b. it is owned by an individual or by a husband and wife who are residents of the same household
 - c. it is not customarily used in any other occupation, profession, or business of the insured, other than farming or ranching
 - d. liability coverage is limited in accordance with the federal employees using vehicles in Government business endorsement
- B. AUTO as used in this manual refers to a private passenger auto or a vehicle considered as a private passenger auto.
- C. LIABILITY as used in this manual refers only to Bodily Injury and Property Damage coverages.
- D. MEDICAL PAYMENTS as used in this manual refers to basic first party benefits.
- E. COMPREHENSIVE COVERAGE as used in this manual refers to other than collision damage to a motor vehicle.

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- F. OWNED as used in this manual includes a vehicle leased under contract for a continuous period of at least six months. If a vehicle lease contract requires the lessee to provide primary insurance for the lessor, attach the additional insured lessor endorsement.
- G. PRINCIPAL OPERATOR as used in this manual refers to the person who operates the vehicle the majority of the time.
- H. RESIDENT means anyone residing in the same household. This includes any person in active military service with the armed forces of the United States of America who customarily operates the vehicle.

RULE 2: ELIGIBILITY (version 09/30/2002)

- A. A Personal Auto Policy shall be used to afford coverage to a private passenger auto and motor vehicle considered as private passenger auto if:
 - 1. they are written on a specified vehicle basis, and
 - 2. they are owned by an individual or by a husband and wife who are residents of the same household.
- B. A Personal Auto Policy shall be used to afford coverage to private passenger autos that are owned jointly by two or more:
 - 1. relatives other than husband and wife, or
 - 2. resident individuals if:
 - a. they are written on a specified vehicle basis, and
 - b. coverage is limited in accordance with the miscellaneous type vehicle endorsement.

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RULE 3: COVERAGES (version 09/30/2002):

Any motor vehicle and any trailer, designed for use with a vehicle, which is required to be registered in Pennsylvania and is rated in accordance with the rules in this manual, shall be afforded Liability and Medical Payments Coverage as prescribed in the Pennsylvania Motor Vehicle Financial Responsibility Law.

This program offers the following coverages:

- A. Bodily Injury Liability (BI) – This program offers basic limits of \$15,000 per person and \$30,000 for any one accident. Increased limits are available.
- B. Property Damage Liability (PD) - This program offers basic limits of \$5,000 for any one accident. Increased limits are available.
- C. Combined Single Limit Liability (CSL) – This coverage refers to one limit of liability that covers both Bodily Injury and Property Damage.
- D. First Party Benefits Coverages:
 - 1. Medical Payments Coverage (MED) – Basic limits of \$5,000 or \$10,000 are available.
 - 2. Added Medical Expense Benefits Coverage
 - a. Medical Payments Coverage provides only a basic first party medical expense benefits with either a \$5,000 or \$10,000 limit. Added Medical Expense Benefits Coverage offers additional first party medical expense benefits up to selected limits.
 - b. The same limit options must be purchased for all vehicles on the policy.
 - c. The premium for Added Medical Expense Benefits Coverage is charged on a per vehicle basis in addition to the premium for the \$10,000 limit of Medical Payments Coverage.
 - d. Added Medical Expense Benefits Coverage premiums are not subject to classification rating or modification except as classified by limit, Passive Restraint Discount, Motor Vehicle Driver Improvement Course Discount, and single/multi-car risks.
 - 3. Extraordinary Medical Benefit Coverage
 - a. Extraordinary Medical Benefit Coverage is a first party benefits coverage which provides coverage for medical and rehabilitative expenses that equal or exceed \$100,000 subject to an annual limit of \$50,000. The \$50,000 annual limit does not apply to expenses incurred within the first 18 months of an insured's eligibility for the coverage.
 - b. The same limit option must be purchased for all vehicles insured.
 - c. The premium for Extraordinary Medical Benefits Coverage is charged on a per vehicle basis in addition to the premium for the \$10,000 limit of Medical Payments Coverage and Added Medical Expense Benefits Coverage.
 - d. Extraordinary Medical Benefits Coverage premiums are not subject to classification rating or modification except as classified by limit, Passive Restraint Discount, Motor Vehicle Driver Improvement Course Discount, and single/multi-car risks.

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4. Income Loss Benefit – Income Loss Benefit Coverage provides a portion of income lost by the insured or other covered persons as a result of a loss. Income Loss Benefit premiums are not subject to classification rating or modification except as classified by limit, Passive Restraint Discount, Motor Vehicle Driver Improvement Course Discount, and single/multi-car risks.
5. Funeral Expense Benefit – Funeral Expense Benefit Coverage provides payment for funeral or burial expenses if bodily injury causes death to an insured within twenty-four months of the occurrence date. Funeral Expense Benefit premiums are not subject to classification rating or modification except as classified by limit, Passive Restraint Discount, Motor Vehicle Driver Improvement Course Discount, and single/multi-car risks.
6. Accidental Death Coverage (AD) – is a death benefit paid to the personal representative of the insured, should bodily injury caused by a motor vehicle accident result in death within twenty-four months from the date of the accident. Accidental Death Coverage premiums are only subject to modification by Passive Restraint Discount and Motor Vehicle Driver Improvement Course Discount.
7. Accidental Death and Dismemberment Coverage (ADD)
 - a. Accidental Death and Dismemberment Coverage applies only with respect to those coverages for which an amount is specified against loss resulting directly and independently of all other causes for accidental bodily injuries which arise out of the hazards described and are sustained by the person insured during the term of the policy, herein called injuries, to the extent herein provided.
 - b. The following description of coverages and provisions contain the principal provisions relating to coverage payment of loss: DEATH, DISMEMBERMENT OR LOSS OF SIGHT. If within ninety (90) days from the date of accident, the person insured suffers any of the injuries scheduled below, the Company will pay as follows:
 1. Loss of Life.....The Principal Sum
 2. Loss of Both Hands, Feet, or Eyes..... The Principal Sum
 3. Loss of one Hand and one Foot..... The Principal Sum
 4. Loss of either Hand or Foot.....One Half Principal Sum
 5. Loss of Sight of one Eye..... One Half Principal Sum
 6. Loss of Thumb and Index Finger of Same Hand.....One Half Principal Sum
 - c. LOSS shall mean with regard to hand or foot, complete severance through or above the wrist or ankle joint; with regard to sight of eyes, entire and irrecoverable loss of sight; with regard to thumb and index finger, complete severance through or above the metacarpophalangeal joint.
 - d. Subject to the terms of the endorsement the hazards insured against are all those to which the person insured may be exposed:
 1. While the person insured is riding solely as a passenger in or on, boarding or alighting from any public conveyance, including air, licensed to carry passengers for hire;
 2. When the person insured sustains injuries caused by unavoidable exposure to the elements following the forced landing, stranding, sinking or wrecking of such means of transportation described above in which the person insured has been riding solely as a passenger; or
 3. While the person insured is driving in or riding in or on; boarding or alighting from, a four-wheel private passenger automobile of the strictly pleasure vehicle type.
 - e. Accidental Death and Dismemberment Coverage premiums are only subject to modification by Passive Restraint Discount and Motor Vehicle Driver Improvement Course Discount.

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8. Combination First Party Benefits
 - a. Combination First Party Benefits Coverage combines the First Party Benefits Coverages into one benefit package with a single benefit limit.
 - b. The same limit option must be purchased for all vehicles insured.
 - c. The premium for Extraordinary Medical Benefits Coverage is charged on a per vehicle basis in addition to the premium for the \$10,000 limit of Medical Payments Coverage and \$100,000 limit of Added Medical Expense Benefits Coverage.
 - d. Combination First Party Benefits premiums are not subject to classification rating or modification except as classified by limit, Passive Restraint Discount, Motor Vehicle Driver Improvement Course Discount, and single/multi-car risks.

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- E. Uninsured Motorist Coverage (UM) / Underinsured Motorist Coverage (UIM)
1. Uninsured Motorist Coverage and Underinsured Motorist Coverage are offered at basic limits of \$15,000 per person and \$30,000 for any one accident. Higher limits are available up to the limits selected for Bodily Injury Liability Coverage.
 2. UM/UIM limits of liability must be equal.
 3. The named insured may by written agreement reject either UM or UIM or both UM and UIM coverages entirely or select lower limits provided they are not less than financial responsibility limits. This written agreement is binding with respect to any subsequent renewal policy unless the named insured requests this coverage or different limits in writing.
 4. UM/UIM Coverage shall apply to all vehicles insured on the policy.
 5. Either the Stacked or the Unstacked UM/UIM endorsement will be attached to the policy.
 6. Stacked Coverage
 - a. UM/UIM Coverage shall be offered to the named insured on a stacked basis at limits equal to the Bodily Injury Liability limits under every motor vehicle liability insurance policy.
 - b. If the named insured owns only one vehicle at policy inception but subsequently purchases an additional vehicle of which the insurer becomes aware and is registered or principally garaged in Pennsylvania, the named insured shall be offered stacked UM/UIM Coverage. This applies regardless of whether the same or different insurers provide liability coverage for the two vehicles.
 - c. The named insured may purchase stacked UM/UIM Coverage on a single car policy. The rate for stacked coverage for a single car policy shall be the multi-car stacked UM/UIM Coverage rate for one vehicle.
 7. Unstacked Coverage
 - a. The named insured shall be offered the option to select unstacked UM/UIM. To select this option, the named insured must waive the stacked limits of coverage in writing on a form approved by the Pennsylvania Insurance Commissioner. If the named insured does not waive UM/UIM Coverage entirely or does not elect the unstacked option, stacked UM/UIM Coverage will apply.
 - b. If the named insured owns only one vehicle registered or principally garaged in Pennsylvania, the named insured may purchase unstacked coverage, stacked coverage, or reject UM/UIM Coverage entirely.
 - c. The written agreement to reject the unstacked options is binding on subsequent renewal policies unless the named insured request the stacked option in writing.

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- F. Comprehensive (CP) / other than collision - Every private passenger auto insurance policy providing Comprehensive coverage and rated in accordance with this manual shall provide a \$500 deductible. The named insured may select a different deductible in writing.
- G. Collision (CL) - Every private passenger auto insurance policy providing Collision coverage and rated in accordance with this manual shall provide a \$500 deductible. The named insured may select a different deductible in writing.
- H. Towing and Labor Coverage - Towing and Labor Coverage reimburses the insured on a covered vehicle for the lesser of the actual towing charges up to the selected limits for each disablement subject to the term maximum. This coverage may be purchased on any vehicle covered by Comprehensive and Collision coverages.
- I. Rental Reimbursement Coverage - Rental Reimbursement reimburses the insured on a covered vehicle for the lesser of actual daily rental charges or the selected limits per day for a maximum of thirty days for each qualified disablement.

Qualified disablement means a loss covered by the Liability, Comprehensive or Collision sections of the policy. Expenses will be paid beginning when the vehicle is withdrawn from use for more than 24 hours. If the loss is caused by a total theft of the covered vehicle, the Company will pay incurred expenses, during the period beginning 48 hours after the theft and ending when the vehicle is returned to use, or the Company will pay for the loss. This coverage may be purchased on any vehicle covered by Comprehensive and Collision coverages.

- J. Additional Custom Parts and Equipment Coverage - Comprehensive and Collision coverages provide protection, subject to applicable deductibles, for equipment permanently installed by the original manufacturer. There is no coverage in the standard contract for other types of equipment. Additional Custom Parts and Equipment Coverage provides physical damage protection for any permanently installed add-on equipment except radar detectors or equipment for cooking or bathrooms.

To purchase this coverage, the insured must provide an itemized list of additional equipment and pay the appropriate premium. Additional Customized Equipment Coverage is subject to a deductible and provides coverage up to the lesser of actual cash value or the stated amount specified by the insured. This coverage may be purchased on any vehicle covered by Comprehensive and Collision coverages.

All coverages that are described in the insuring agreement and/or endorsements are subject to policy exclusions and conditions.

See the State Rate Manual for a complete schedule of coverage options, limits and premiums.

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RULE 4: CHANGES AND ENDORSEMENTS (version 09/30/2002)

- A. All changes requiring premium adjustments shall be computed pro rata.

- B. Mid-term endorsements adding or replacing a vehicle shall be made as follows:
 - 1. Endorsements adding a vehicle to the policy will be made using the rules and rates in effect at the time the change is made.
 - 2. Endorsements replacing one vehicle with another will be made using the rules and rates in effect at the policy inception or latest renewal date.
 - 3. All other endorsements will be made using the rules and rates in effect at the time the premium for the vehicle affected was last determined.
 - 4. Mid-term addition of physical damage coverage is not permitted.

- C. Adjustments of \$10 or less:
 - 1. If an outstanding policy is amended and results in a premium adjustment of \$10 or less, the amount:
 - a. may be waived or may be made subject to a minimum of \$10
 - b. The actual return premium shall be returned at the request of the insured.
 - 2. Minimum premium of \$10 applies if an insured requests the following during the policy period:
 - a) addition of coverage
 - b) change in limits of liability
 - c) change in deductibles
 - 3. The Company need not refund a return premium of less than \$10 if the insured requests the following:
 - a) cancellation of coverage,
 - b) reduction of limits of liability,
 - c) increase in deductible.
 - 4. If the limits of liability are increased because of a change in the limits prescribed under any financial responsibility law, the additional premium charge shall be the actual difference in premium charges. If the premium adjustment is equal to \$10 or less, it may be charged or waived.

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RULE 5: CANCELLATIONS (version 09/30/2002)

The policy may be canceled either by the Company or at the request of the insured in accordance with the cancellation provisions of the policy. Cancellation, whether by the Company or the policyholder, shall not affect any valid claim originating prior to the effective date of cancellation. Return premium shall be computed pro rata. If the cancellation is requested by the insured, a Cancellation Fee shall apply. Non-payment of premium is considered insured request.

Exceptions - compute the return premium on a prorated basis in the following cases:

1. If the insured has disposed of the insured vehicle and takes out a new policy with the same company on another vehicle to become effective within thirty days of the date of cancellation.
2. If the insured's vehicle is repossessed under terms of a financing agreement.
3. In a multi-car situation, if one vehicle is canceled from the policy and the policy remains in force on other vehicles.
4. If the insured enters the armed forces of the United States of America.
5. If the insured vehicle is stolen or destroyed (total or constructive loss) and cancellation is requested by the insured
 - a. within 30 days following the date the vehicle is stolen or destroyed, or
 - b. within 15 days of the time the vehicle was determined by the company
 - i. to be unrecoverable if stolen, or
 - ii. to be a total or constructive loss
6. If a vehicle or form of coverage is canceled from a policy and the policy remains in force.

RULE 6: REINSTATEMENTS (version 09/30/2002)

A policy which has expired or been terminated by cancellation may be reinstated by payment of the necessary premium and completion of any required forms if the risk is acceptable to the Company.

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RULE 7: SUSPENSION OF COVERAGES (version 09/30/2002)

- A. Suspension is effective after notice of the withdrawal of the vehicle from service is received by the company. Suspension credit is given immediately and will be calculated pro-rata from the suspension date to the end of the current premium period.
- B. No request for suspension will be accepted for a period of less than 30 consecutive days.
- C. Suspension can only be accepted if the vehicle's license plates are surrendered to the state. Unless the insured submits a copy of the receipt for the return of his/her registration certificate and license plates, this Rule will not apply.
- D. Insurance may be reinstated upon the named insured's request effective not earlier than receipt of such request by the Company or any of its authorized representatives. No protection exists until the company receives notice to reinstate the suspended coverages. Reinstatement will be effective immediately and coverage will be added pro-rata from the reinstatement date to the end of the current premium period.
- E. The reinstatement of insurance endorsement shall not extend the policy beyond its original expiration date.
- F. Policies with coverages in suspense at renewal time will be renewed only with the inforce coverages.
- G. Pro rata premium credit shall be granted for the period of suspension upon reinstatement. The Company can retain a minimum of ninety (90) days premium calculated on a pro rata basis for the policy period.
- H. If the policy expires during the period of suspension, the named insured shall be entitled to pro rata return premium in accordance with the foregoing provisions of this rule with respect to the minimum premium period of suspension and minimum premium retention by the Company.
- I. Liability coverages may not be suspended for risks for which a financial responsibility filing is in effect.
- J. If liability or collision is suspended on all private passenger autos owned by an individual or husband and wife, use of other autos coverage, for liability only, afforded without separate premium charge under a Personal Auto Policy may be continued in force. In this case 80% pro rata of the owned auto premium calculated in accordance with the provisions of this rule shall be returned to the insured upon reinstatement of the coverages.
- K. Insurance covering a private passenger auto which is withdrawn from service for a period of at least thirty (30) consecutive days because of a strike may be suspended. Pro rata return premium on such vehicles shall be granted in accordance with Section (G) provided the insured furnishes the Company with a letter requesting the return premium. The letter shall be written on the insured's letterhead with the following information.
 - 1. A description of each vehicle.
 - 2. The dates between which it was laid up because of the strike.
 - 3. A statement by the insured that he agrees to reimburse the Company for any payment made by the Company on account of any accident, claim, or suit involving a coverage for any vehicle described in the letter for which return premium has been allowed by the company.

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RULE 8: TORT THRESHOLD OPTION (version 09/30/2002)

With respect to policies affording liability coverage for private passenger types, pick ups, and vans, the named insured shall be provided the option to elect either a full tort threshold or a limited tort threshold. The election applies only to the named insured and other household members as provided in the Pennsylvania Insurance Law. The tort threshold determines when an insured may sue for damages.

See the Rate Manual for the applicable premiums.

RULE 9: POLICY PERIOD (version 09/30/2002)

Policy terms of 3, 6 and 12 months are available. All published rates are based on a 6 month term. Term factors can be found in the Rate Manual.

RULE 10: DRIVER ASSIGNMENT (version 09/30/2002)

Vehicle classifications and premiums are determined by assigning the highest rated operator to the highest rated vehicle. The second highest rated operator is assigned to the second highest rated vehicle until each vehicle is exhausted.

In the case of more vehicles than operators, rate each "additional vehicle" using the factors associated with the Virtual Operator. For purposes of rating, the Virtual Operator is defined as a thirty-two year old married operator with no surcharge points.

In the case of more operators than vehicles, the driver assignment process will be the same (i.e. highest operator to highest vehicle). "Excess" operators will simply not be assigned to a vehicle for rating purposes.

RULE 11: PREMIUM ROUNDING (version 09/30/2002)

Regardless of policy term, the premium for each coverage may only be rounded to the nearest whole dollar. The final premium will be the sum of all coverage premiums and will also be displayed as a full dollar amount (no cents). Premiums will be rounded **down** for premiums with cents between 1 and 49 cents. Premiums will be rounded **up** with cents between 50 and 99 cents.)

This procedure shall apply to all interim premium adjustments, including endorsements or cancellations at the request of the insured. In the case cancellation by the Company, the return premium may be carried to the next higher whole dollar.

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RULE 12: MINIMUM PREMIUM (version 09/30/2002)

The minimum semi-annual premium charge is \$10 for each policy, certificate, declaration, or binder covering one or more of the following perils: Bodily Injury Liability, Property Damage, Liability, Medical Payments, Comprehensive, or Collision.

Premium for other coverages which may also be included in the policy shall be in addition to the minimum semi-annual premium.

The minimum semi-annual premium charge is not subject to reduction except in the event of cancellation or short term policy. The minimum semi-annual premium charge shall be adjusted on a pro rata or short rate basis as the conditions require.

RULE 13: MULTI-TIER RATING PROGRAM (version 09/30/2002)

New business customers are rated in tiers based on objective, mutually exclusive underwriting criteria which are independent of driver classification, accident, and violation surcharge criteria. No insured will be placed in a higher tier at renewal.

Tier Factors apply to Bodily Injury, Property Damage, Medical Payments, Comprehensive, and Collision coverages.

RULE 14: FEES (version 02/07/2003)

- There is a \$25.00 Insufficient Funds Fee for returned checks.
- There is a \$10.00 Reinstatement Fee applied to policies which are reinstated if the policy was canceled for non-payment.
- There is a \$10.00 Delinquent Fee applied to any policy which is paid past the due date.
- There is a \$10.00 Bill Fee per payment.
- There is a \$10.00 nonrefundable Policy Fee per term. This fee is fully earned at policy inception and renewal.
- There is a \$50 Cancellation Fee
- Coverage Expense Fees are added separately to applicable coverages on a per vehicle basis. They are subject to the Cancellation and Suspension provisions of this program, are fully earned upon inception, and are independent of policy period (3, 6, or 12 month). See the Rate Manual for applicable Coverage Expense Fees and their application.

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RULE 15: PAYMENT OPTIONS (version 09/30/2002)

The following payment plans are available.

Policy Term	Bill Plan	Minimum Down Payment	Number of Installments	Installment Due Days
3 Month	3 Pay	40%	2	25, +30 thereafter
	Paid In Full*	100%	0	---
6 Month	5 Pay	25%	4	25, +30 thereafter
	Paid In Full*	100%	0	---
12 Month	12 Pay	8.34%	11	25, +30 thereafter
	11 Pay	12.5%	10	12, +30 thereafter
	Paid In Full*	100%	0	---

- A Paid In Full Discount will be applied to applicable coverages.

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RULE 16: DRIVER CLASSIFICATION (version 09/30/2002)

Vehicles will be classified according to the Age, Marital Status, Use and Driving Record of the named insured and any licensed operator residing with the named insured.

Primary Driver Classification

1. Age of the assigned operator where Age is defined as the age attained on the latest birthday.
2. Marital Status of the assigned operator where Marital Status is defined as a married person living together with their spouse.
3. Use of the vehicle, for Bodily Injury, Property Damage, and Medical Payments, where Use is defined as annual mileage and customary usage as follows:
 - A. The annual mileage assigned to each vehicle corresponds to the actual mileage put on the vehicle in the prior year. In the absence of historical odometer readings, the best estimate of the vehicle's annual mileage will be used.
 - B. Business Use - The vehicle is required by or customarily involved in the duties of the applicant or any other person customarily operating the vehicle, in the duties of an occupation, profession or business other than driving to and from the principal place of work.
 - C. Work Use - The vehicle is not used for business, but is customarily driven for personal use and driven to work (including school or use in a car pool) or to another location where other transportation is then taken to work.
 - D. Pleasure Use - The vehicle is for personal use only, and is neither used in business nor customarily driven to or from work.

Secondary Driver Classification

Refer to the Safe Driver Insurance Plan rule to determine the Driving Record Sub-Classification. Determine the performance category of the vehicle. Refer to the Secondary Rating Factors Table to determine the adjustment to be added to Primary Driver Classification.

Classification Changes

Compute premium adjustments on a pro-rata basis when making mid-term changes in Primary and Secondary Rating Classifications. This includes the addition or deletion of an operator during the policy term.

Exceptions

A policy shall not be changed mid-term for any of the following reasons:

1. Because of the attained age of a rated operator.
2. Solely due to a change in symbol assignment based on a review of loss experience.
3. To reflect a change in Secondary Driver Classification.
4. Because of a change in the annual mileage of the vehicle except to recognize the addition or deletion of an operator or a vehicle.

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RULE 17: RATING TERRITORY (version 09/30/2002)

The rating territory for each vehicle is the territory in which the vehicle is principally garaged. Generally, territories are based on postal zip codes or groups of zip codes. See the Rate Manual for a list of zip code assignments.

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RULE 18: SYMBOL RATING (version 09/30/2002)

AIIICO subscribes to the symbol services provided by Insurance Services Office, Inc. (ISO). We use the most currently available symbols from the ISO Personal Auto Series Rating Program.

Rules for determining physical damage base rates when the vehicle is not listed in the ISO Symbol and Identification Section (Symbol Manual):

1. Vehicles Not Listed in the Symbol Manual:
 - Determine the vehicle's Original cost (Manufacturers Suggested Retail Price).
 - Find the corresponding symbol from the Price/Symbol Chart in the ISO Symbol and Identification Manual.
2. Vehicles with an Original Cost over \$80,000 (1990 and subsequent model years):
 - Develop the symbol/deductible factor for the vehicle as if it were Symbol 26
 - For Comprehensive, increase the factor by 1.50 each \$10,000 or fraction of \$10,000 above \$80,000.
 - For Collision, increase the factor by .50 each \$10,000 or fraction of \$10,000 above \$80,000.
3. New Model Year Vehicles not yet listed in the ISO Manual:
 - Use the symbol shown for the prior year's corresponding model.
 - If there is no corresponding model in the prior year, use the Cost New procedure (item 1 above).

RULE 19: MODEL YEAR RATING (version 09/30/2002)

Unless shown on the rate pages, the premium for each subsequent model year is 5% above the premiums for the preceding model year and shall be calculated using the appropriate rating factors in the Rate Manual.

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DISCOUNTS - Applicable state mandated discounts are granted first to ensure proper application. Individual discounts and the maximum allowable discount by coverage are listed in the Rate Manual.

RULE 20: ANTI-THEFT DEVICE DISCOUNT (version 09/30/2002)

An Anti-Theft Device Discount shall apply to all private passenger motor vehicles equipped with a ***factory installed passive anti-theft device***. A passive anti-theft device is defined as any item or system designed to prevent unauthorized use and does not require a separate manual step to disable the fuel, ignition, or starting system. It is installed in the vehicle and activates automatically when the operator turns the ignition key to the off position. The discount does not apply to anti-theft device ignition interlocks provided by the original manufacturer. The named insured must provide proof of device.

The Anti-Theft Device Discount does not apply to vehicles equipped with active disabling devices. An active disabling device is defined as one which requires a separate manual step to disable the fuel, ignition, or starting system.

This discount applies to Comprehensive coverage.

RULE 21: GOOD CUSTOMER DISCOUNT (version 09/30/2002)

Customers of AllCO will receive a Good Customer Discount if their current policy has been in force with the Company for at least 12 continuous months, no prior balances are owed to the Company, and no payments have been received late.

This discount applies to Bodily Injury, Property Damage, Medical Payments, Uninsured Motorist, Underinsured Motorist, Comprehensive, and Collision Coverages.

RULE 22: HOMEOWNERS DISCOUNT (version 09/30/2002)

A Homeowners Discount is applicable for those customers who own 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.

This discount applies to Bodily Injury, Property Damage, Medical Payments, Uninsured Motorist, Underinsured Motorist, Comprehensive, and Collision Coverages.

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RULE 23: MOTOR VEHICLE DRIVER IMPROVEMENT COURSE DISCOUNT (version 09/30/2002)

This discount shall be afforded for each motor vehicle on a policy under which all named insureds:

- Are age 55 or older, and
- Have a completion certificate, dated within the most recent 36 months, certifying successful completion of a motor vehicle driver improvement course which meets criteria established by the Pennsylvania Department of Transportation, and
- Have not 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 enumerated in Pa. Stat. Title 75, Ch. 15, Section 1535.

As a condition of maintaining this discount, the insured must not:

- Be involved in a chargeable accident.
- Be convicted of an offense enumerated in Pa. Stat. Title 75, Ch. 15, Section 1535.
- Be convicted of or have accepted Accelerated Rehabilitative Disposition (ARD) for driving under the influence of alcohol or a controlled substance.

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 is completed by each named insured.

This discount applies to all coverages.

RULE 24: MULTI-CAR DISCOUNT (version 09/30/2002)

The Multi-Car Discount applies to a single policy insuring two or more vehicles (Motorhomes and Trailers are not "counted" for purposes of applying a multi-car discount and do not receive the discount) which are principally garaged at the same location and either owned by an individual or jointly owned by two or more resident relatives.

This discount applies to Bodily Injury, Property Damage, Medical Payments, Uninsured Motorist, Underinsured Motorist, Comprehensive, and Collision Coverages.

RULE 25: PAID IN FULL DISCOUNT (version 09/30/2002)

A Paid In Full Discount applies when 100% of the policy premium for the indicated term is paid at the time of binding.

This discount applies to Bodily Injury, Property Damage, Medical Payments, Uninsured Motorist, Underinsured Motorist, Comprehensive, and Collision Coverages.

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RULE 26: PASSIVE RESTRAINT DISCOUNT (version 09/30/2002)

To qualify for the Passive Restraint Discount, the private passenger auto must be equipped with a factory installed automatic occupant restraint, conforming to the federal crash protection requirements and meeting the criteria below.

Double Airbag – A front driver and front passenger side airbags have been installed by the factory to protect both the driver and all front seat passengers.

Single Airbag - 1 front airbag has been installed by the factory to protect the driver.

Passive Seat Belts - The driver and front seat passenger seat belts are designed to fasten automatically without any action by the driver or passenger.

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

This discount applies to all First Party Benefits coverages.

RULE 27: PRIOR COVERAGE DISCOUNT (version 09/30/2002)

A Prior Coverage Discount shall apply if the insured's prior personal auto policy provided coverage for at least 6 successive months with the same company without lapse **and** the expiration or cancel date is no more than 30 days prior to the AIICO policy inception date. In addition, the named insured on the AIICO policy must be listed on the previous policy. A Prior Coverage Discount will not be awarded to policies previously insured with AIICO.

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

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

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

AIICO offers discount levels based on the number of days lapsed from prior carrier as listed in the Rate Manual.

This discount applies to Bodily Injury, Property Damage, Medical Payments, Uninsured Motorist, Underinsured Motorist, Comprehensive, and Collision coverages.

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SURCHARGES - Individual surcharges are listed in the Rate Manual.

RULE 28: OUT OF STATE COMMUTER SURCHARGE (version 09/30/2002)

An Out Of State Commuter Surcharge will be charged to operators who commute out of the state of Pennsylvania at least one day per week or 4 days per month.

This surcharge applies to Bodily Injury, Property Damage, Medical Payments, Comprehensive, and Collision coverages.

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RULE 29: SAFE DRIVER INSURANCE PLAN (version 09/30/2002)

Experience Period

All accidents and violations occurring in the 36 month period prior to the policy anniversary date are considered in developing the policy premium (subject to the rules in this section).

Administration of SDIP

Each operator will be assigned an SDIP factor based on their driving record. SDIP points are applied as part of the Secondary Driver Class factor.

Operators Subject to Rule

Accidents and Violations are considered for the following operators:

- All licensed operators in the household.
- All licensed operators outside the household who customarily operate one of the listed vehicles on the policy.
- Any non-licensed operator who has been shown to customarily operate any listed vehicle on the policy.
- Exceptions:
 - 1) operators in the household who have obtained their own insurance policy **and** can demonstrate that their policy is being surcharged for an incident in question, or
 - 2) operators outside the household who have obtained their own vehicle and insurance and no longer customarily operate any listed vehicle on the policy.

Source of Information

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

- The customer's disclosure (via phone, mail, electronic communication, application)
- Outside information providers of Motor Vehicle Reports and Claims Histories
- The Company's own claim records

Refunds of Surcharged Premium

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 refund to the insured the increased portion of the premium generated.

Multiple Charges

The Company will charge only for the highest rated offense when multiple charges apply to the same occurrence.

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Violation Definitions - Points shall be assigned for convictions during the experience period for motor vehicle violations as follows:

Three points are assigned for conviction of:

- Driving while intoxicated or under the influence of drugs or alcohol
- Failure to stop and report when involved in an accident involving injury or death
- Homicide or assault arising out of the operation of a motor vehicle
- Driving while license is suspended or revoked

Each moving violation under Section 1535 of the Pennsylvania Consolidation Statutes will be assigned one-half point. A minimum of two moving violations per operator are required for that operator to be surcharged.

Note: This category includes failure to stop and report when involved in an accident involving property damage only.

Miscellaneous Point Charges

- 1 - Inexperienced Operator (any operator who has been licensed for less than three years)
- 1 - Failure to provide financial responsibility (driving while uninsured)
- 1 - License Suspension (receiving a license suspension as a result of a moving violation)
- 2 - Non-Pennsylvania license (out of state license). This does not apply to active military personnel.
- 3 - Driving without a license (any unlicensed operator or operator who fails to provide proof of license)
- 4 - Non-United States license (licensed outside of the United States of America). This does not apply to active military personnel.
- 4 - Unverifiable driving record

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Accident Definitions – Unless an accident is deemed “not at fault” as defined in the “Accident Exceptions” section of this rule, accident points shall be assigned during the experience period as follows:

Surcharges for Accidents occurring prior to July 1, 1990:

- a. Points are assigned for each accident that occurred during the experience period, involving the applicant or any resident operator while operating a private passenger auto. One point is assigned for each auto accident that results in:
 - Bodily Injury or death resulting in a paid claim
 - A paid claim for damage to any property including his or her own in excess of \$300.
- b. One point is assigned for two or more accidents during the experience period which results in paid claims by the insurer for damage to any property but do not result in the assignment of points under (a) above.
- c. The experience period shall be the three year interval between the date of the initial claim payment resulting from any one accident and the date of the application or the preparation of the renewal.

Accident surcharge rule for payment made on or after July 1, 1990 but prior to July 1, 1993

- a. One point is assigned for each accident if during the preceding three year period, the aggregate cost to the insurer for any person injured or property damaged is determined to be at least \$650 in excess of any self-insured retention or deductible applicable to the named insured.
- b. The experience period shall be the three year interval between the date of the initial claim payment resulting from any one accident which meets the \$650 aggregate cost threshold and the date of the application or the preparation of the renewal.

Accident surcharge rule for payment made on or after July 1, 1993 but prior to July 1, 1996

- a. One point is assigned for each accident if during the preceding three year period the aggregate cost to the insurer for any person injured or property damaged is determined to be at least \$750 in excess of any self-insured retention or deductible applicable to the named insured.
- b. The experience period shall be the three year interval between the date of the initial claim payment resulting from any one accident which meets the \$750 aggregate cost threshold, and the date of the application or the preparation of the renewal.

Accident surcharge rule for payment made on or after July 1, 1996, but prior to July 1, 1999

- a. One point is assigned for each accident if during the preceding three year period the aggregate cost to the insurer for any person injured or property damaged is determined to be at least \$850 in excess of any self-insured retention or deductible applicable to the named insured.
- b. The experience period shall be the three year interval between the date of the initial claim payment resulting from any one accident which meets the \$850 aggregate cost threshold, and the date of the application or the preparation of the renewal.

Accident surcharge rule for payment made on or after July 1, 1999, but prior to July 1, 2002

- a. One point is assigned for each accident if during the preceding three year period the aggregate cost to the insurer for any person injured or property damaged is determined to be at least \$950 in excess of any self-insured retention or deductible applicable to the named insured.
- b. The experience period shall be the three year interval between the date of the initial claim payment resulting from any one accident which meets the \$950 aggregate cost threshold, and the date of the application or the preparation of the renewal.

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Accident Surcharge rule for payment made on or after July 1, 2002

- a. One Point is assigned for each accident if during the preceding three year period the aggregate cost to the insurer for any person injured or property damaged is determined to be at least \$1,050 in excess of any self-insured retention or deductible applicable to the named insured.
- b. The experience period shall be the three year interval between the date of the initial claim payment resulting from any one accident which meets the \$1,050 aggregate cost threshold, and the date of the application or the preparation of the renewal.

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Accident Exceptions

An insurer may not assess a premium surcharge for the payment of a claim arising from an accident where the insured was not at fault in causing the accident. An insured shall be deemed not at fault for an accident which occurs under the following circumstances:

- Vehicle operated by the applicant or any resident operator is struck by "hit and run" vehicle if the accident is reported to the proper authority within 24 hours by the applicant or resident operator.
- Accident involving damage by contact with animals or fowls.
- Accidents involving only physical damage limited to and caused by flying gravel, missiles, or falling objects.
- Accidents occurring when using a vehicle in response to an emergency if the operator at the time of the accident was a paid or volunteer member of a police department, fire department, first aid squad, or a law enforcement agency. This exception does not include an accident occurring after the vehicle ceases to be used in response to such emergency.
- A lawfully parked vehicle which is struck by another vehicle. If the parked vehicle rolls from the parked position, then any such accident is charged to the person who parked the vehicle.
- The vehicle is struck in the rear by another vehicle and the insured or resident relative has not been convicted of a traffic violation in connection with this accident.
- Operator of the other vehicle involved in the accident was convicted of a moving traffic violation and the insured or resident relative was not convicted of a moving traffic violation in connection with the accident.
- Accidents resulting solely in payment under the Medical Payments, Added First Party Benefits, or Extraordinary Benefits portion of the insured's policy.
- Accidents where the Company 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 received through subrogation, settlement, or judgment against the individual responsible for the accident.
- The insured, or owner of the motor vehicle, is reimbursed by, or on behalf of, a person who is responsible for the accident, or the insurer is able to subrogate its entire payment to the insured.
- An insurer may not assess a premium surcharge for the payment of a claim made under the comprehensive portion of the policy unless the loss was intentionally caused by the insured.

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RULE 30: MISCELLANEOUS TYPES (version 09/30/2002)

A. Panel trucks, Pickups and Vans

1. Liability and Physical Damage
 - a. Rate as private passenger auto
 - b. For non-Symbolized vehicles, determine a symbol based on Original Cost New.
2. When a pickup is used to transport a non-permanently attached camper body or to transport a camper body or cover with no facilities for cooking and sleeping:
 - a. Add the cost of the camper body or cover to the cost of the pickup and determine a symbol based on Original Cost New.
 - b. Rate according to paragraph 1.