PENNSYLVANIA SURCHARGE DISCLOSURE STATEMENT

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

Selective's rating tier provides three separate rate levels to more accurately classify a risk, as preferred, standard, or non-standard tier. The selection of a standard or non-standard tier may be based upon the assigned driver's accident and/or conviction driving record and would only affect the vehicle for the assigned driver with the accident(s) and or conviction(s).

If a vehicle is rated in the standard tier, a 20% increase is applied to the base premium for Liability, First Party Benefits and Coverage for damage to your auto. If a vehicle is rated in the non-standard tier, a 75% increase is applied to the base premium for Liability, First Party Benefits and Coverage for damage to your auto.

If an assigned driver has one chargeable accident and/or two or more violations of an offense enumerated in 75 PA.C.S. 1535 convictions, a tier two rate will be applied to his/her vehicle. If an assigned driver has two chargeable accidents or any major conviction, a tier three rate will be applied to the driver's vehicle.

A. MAJOR CONVICTIONS

(1) Driving while intoxicated or under the influence or drugs; or

(2) Failure to stop and report when involved in an accident resulting in bodily injury; or

(3) Homicide or assault arising out of the operation of a motor vehicle; or

(4) Driving while license is suspended or revoked.

(5) A conviction of any other moving traffic violation under section 1532 of Pennsylvania Statues resulting in suspension or revocation of an operators license.

For convictions, the experience period shall be the three years immediately preceding the date of the application or the preparation of the renewal.

B. FOR ACCIDENTS

The experience period shall be the three-year interval between the date of the initial claim payment resulting from any one accident which meet the aggregate cost threshold, and the date of the application or the preparation of the renewal. The aggregate cost threshold for accidents occurring prior to July 1, 1996, is $750. The aggregate cost threshold for accidents occurring on or after July 1, 1996, is $850. The aggregate cost threshold for accidents occurring on or after July 1, 1999 is $950.

C. Exceptions

1. Movement to a higher rated tier will not occur for accidents occurring under the following circumstances:

a. 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; or

b. Accidents involving damage by contact with animals or fowl; or

c. Accidents involving physical damage, limited to and caused by flying gravel, missiles, or falling objects; or

d. Accidents resulting in an amount being paid on behalf of an insured under Basic, Added or Combination First Party Benefits Coverages only; or

e. Accidents occurring when using 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

f. Accidents where 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 received through subrogation or from a settlement or judgment against the individual responsible for the accident.