

GEICO Secure Insurance Company

SURCHARGE DISCLOSURES

HOW THE PLAN WORKS

EFFECTIVE: 04/25/2022

The surcharge plan described below recognizes drivers who are accident and violation free because they are less likely to have future accidents. Drivers on this plan are entitled to lower insurance rates than drivers who have had accidents or who have been convicted of traffic violations.

I. GENERAL DEFINITIONS

The 3-year Experience Period shall be the three-year period immediately preceding the policy effective date for New Business and Renewals.

The 3-year Incident Free Period shall be the three-year period prior to the Qualifying Accident or Violation which is being evaluated.

The 5-year Experience Period shall be the five-year period immediately preceding the policy effective date for New Business and Renewals.

The 5-year Incident Free Period shall be the five-year period prior to the Qualifying Accident or Violation which is being evaluated.

The Policy Occurrence Count is the number of chargeable accidents and violations as defined below within the experience period for all Rated Drivers.

II. ACCIDENTS

Qualifying Accidents – At-fault accidents resulting in damage to their own property and/or the property of others in excess of \$250.

EXCEPTIONS: No point shall be assigned for an accident above if the insured demonstrates that the accident occurred under the following circumstances:

1. Automobile Lawfully Parked: An automobile rolling from a parked position, however, shall not be considered as lawfully parked, but as the operation of the last operator.
2. Reimbursement: An accident for which you are reimbursed by or on behalf of the person responsible for the accident or have judgment against the person.
3. Struck In Rear: An accident in which your vehicle is struck in the rear by another and you, or other operator of your vehicle, are not convicted of a violation in connection with the accident.
4. Other Party Charged: An accident in which the operator of the other vehicle is convicted of a moving violation and you, or other operator of your vehicle, are not.
5. Hit and Run: An automobile operated by you or a driver on your policy is damaged by a hit and run driver, provided you report the accident to proper authorities within 24 hours.
6. Animals or Fowl: An accident involving damage by contact with animals or fowl.
7. Flying Gravel, Falling Objects: An accident involving physical damage, limited to and caused by flying gravel, missiles or falling objects.
8. Emergency Use: Accidents involving the operation of a vehicle in response to an emergency if the operator at the time of the accident was responding to the call to duty as a paid or volunteer member of any Police or Fire Department, First Aid Squad, or any law enforcement agency, or was performing any other governmental function in a public emergency. This exception does not include an accident occurring after the emergency situation ceases or after the automobile ceases to be used in response to the emergency.
9. Accidents which result in an amount being paid under Personal Injury Protection or Additional Personal Injury Protection and no payment is made under the Liability or Collision coverage. This exception does not apply to single vehicle accidents in which property damage occurs.

Chargeable Accidents – All qualifying accidents occurring during the 3-year Experience Period that are not being waived under Standard Accident Forgiveness or Upgraded Accident Forgiveness.

Standard Accident Forgiveness – The surcharge for the oldest Qualifying Accident will be waived if all the following eligibility requirements are met:

1. The policy has been insured with GEICO for five or more years, and
2. The Qualifying Accident is a GEICO loss incurred by a Rated Driver on the policy, and
3. The Qualifying Accident occurred after coverage has been in effect for five or more years, and
4. At least one driver has five years driving experience, and
5. There have been no other Qualifying Accidents under the policy by any driver during the 5-year Incident Free Period.

Upgraded Accident Forgiveness – Policies that meet all the following eligibility requirements will have the option to add the Upgraded Accident Forgiveness feature to their policy.

Eligibility Requirements:

1. The policy is not eligible for Standard Accident Forgiveness, and
2. At least one driver has three years driving experience, and
3. There have been no Qualifying Accidents under the policy by any driver during the 3-year Experience period.

The surcharge for the oldest Qualifying Accident will be waived under Upgraded Accident Forgiveness if all the following are met:

1. The Qualifying Accident is a GEICO loss incurred by a Rated Driver on the policy, and
2. The loss occurred after the Upgraded Accident Forgiveness option was in effect.

III. VIOLATIONS

The following violations for which a Rated Driver was convicted shall be counted:

- **Major Violations** - - any traffic or DUI violation listed below for which the Rated Driver was convicted:
 - Driving while in an intoxicated condition or under the influence of drugs, and also includes a driver's license record entry of "implied consent"
 - Failure to stop and report when involved in an accident
 - Felony involving the use of a motor vehicle
 - Driving a motor vehicle in a reckless manner which results in an injury to a person
 - Driving a motor vehicle during the period of time the driver's license is suspended or revoked
- **Intermediate Violations**
 - **Open Container**
 - **Possession of drugs/alcohol while driving, or controlled substance convictions**
 - **Failing to stop for school bus**
 - **Reckless driving which does not result in injury to a person**
 - **Racing**
 - **Reduced DUI or DWI**
- **Speeding Violations***
 - **Any speeding traffic violation for which the Rated Driver was convicted.**
- **Minor Violations***
 - **Any moving traffic violation not listed above for which the Rated Driver was convicted is considered a minor violation.**

***Any speeding or minor violation that occurred in connection with a chargeable accident shall not be counted.**

Chargeable Violations - All violations described above occurring during the 3-year Experience Period.

Exception Violation - Any Speeding or Minor violation other than speeding violations that are 20+ MPH over the limit, involve driving more than 85 MPH, or result in an accident involving bodily injury or property damage.

IV. GOOD DRIVER DISCOUNT

A. Level 1 applies to drivers who meet all the following criteria:

1. The driver is at least 21 years of age.
2. The driver has not been convicted of a DUI, Speeding, Intermediate, Major or Minor violation, as defined above, during the 5-year experience period.
3. The driver has not been involved in a Qualifying Accident, as defined above, during the 5-year Experience Period.

NOTE: A driver will not lose eligibility for this Level 1 discount due to a Qualifying Accident forgiven under Standard Accident Forgiveness, or Upgraded Accident Forgiveness applied to the policy for the first time. Additionally, a driver will not lose eligibility for the first Exception Violation (as defined above).

B. Level 2 applies to drivers who meet all the following criteria:

1. The driver has met the Level 1 criteria during their previous policy evaluation.
2. The driver has 1) a Speeding or Minor Violation (not previously forgiven as an Exception Violation in Level 1), or 2) a Qualifying Accident, as defined above, being applied to the policy for the first time.
3. The driver does not have a Qualifying Accident that has been forgiven under Standard Accident Forgiveness or Upgraded Accident Forgiveness in the 5-year Experience Period.

NOTE: This Level 2 Good Driver discount will continue to apply to the driver during future policy evaluations until one of the following occurs:

- a. The driver has a second Speeding or Minor Violation (not previously forgiven as an Exception Violation), or Qualifying Accident during the 5-year Experience Period, or
- b. The driver has an Intermediate, DUI or Major Violation during the 5-year Experience Period, or
- c. The driver meets all the criteria for the Level 3 Good Driver discount and that discount is greater, or
- d. The driver meets all the criteria for the Level 1 Good Driver discount.

C. Level 3 applies to drivers who meet all the following criteria:

1. The driver does not qualify for the Level 1 Good Driver discount.
2. The driver is at least 19 years of age.
3. The driver has not been convicted of a DUI, Speeding, Intermediate, Major, or Minor violation, as defined above, during the 3-year Experience period.
4. The driver has not been involved in a Qualifying Accident, as defined above, during the 3-year Experience Period.

NOTE: A driver will not lose eligibility for this Level 3 discount due to a Qualifying Accident forgiven under Standard Accident Forgiveness or Upgraded Accident Forgiveness.

V. EXAMPLES OF SURCHARGE PLAN

The following are examples of our surcharge plan. They do not reflect your actual premium but are intended to show how the surcharge plan works.

Example A shows a one-vehicle policy. Example B shows how the surcharge would apply to a two-vehicle policy. In both Example A and Example B, the most recent chargeable accident occurred within the past 12 months.

A. ONE VEHICLE INSURED

One 30-year-old driver. Premium with no accidents includes the Level 1 Good Driver Discount, which was reduced after the first accident surcharges were applied and removed after the second accident surcharges were applied.

COVERAGE	PREMIUM WITH NO ACCIDENTS	PREMIUM INCLUDING SURCHARGE FOR ONE CHARGEABLE ACCIDENT	PREMIUM INCLUDING SURCHARGE FOR TWO CHARGEABLE ACCIDENTS
BODILY INJURY/ PROPERTY DAMAGE*	\$80.00	\$120.75	\$204.72
UNINSURED MOTORIST	\$5.00	\$6.04	\$7.44
PERSONAL INJURY PROTECTION	\$40.00	\$58.34	\$82.63
COMPREHENSIVE	\$25.00	\$31.65	\$37.98
COLLISION	\$50.00	\$80.63	\$131.70
TOTAL PREMIUM	\$200.00	\$297.40	\$464.46

*The Property Damage premium with no accidents includes a \$10.00 expense that was removed prior to calculating the accident surcharges for this example. The expense was added back after calculating the increase for the accident surcharge.

B. TWO VEHICLES INSURED. Accidents chargeable to the principal operator of vehicle number one while operating vehicle number one.

Two drivers, both 30 years old. Accidents charged to driver number one while operating vehicle number one. Premium with no accidents includes the Level 1 Good Driver Discount applied to both drivers. The discount was reduced for driver number one when the first accident surcharges were applied to driver number one, and removed from driver number one when the second accident surcharges were applied to driver number one.

(1) Vehicle number one:

COVERAGE	PREMIUM WITH NO ACCIDENTS	PREMIUM INCLUDING SURCHARGE FOR ONE CHARGEABLE ACCIDENT	PREMIUM INCLUDING SURCHARGE FOR TWO CHARGEABLE ACCIDENTS
BODILY INJURY/ PROPERTY DAMAGE*	\$80.00	\$106.56	\$164.24
UNINSURED MOTORIST	\$5.00	\$6.09	\$6.55
PERSONAL INJURY PROTECTION	\$40.00	\$53.04	\$68.21
COMPREHENSIVE	\$25.00	\$29.60	\$35.23
COLLISION	\$50.00	\$70.26	\$104.04
TOTAL PREMIUM	\$200.00	\$265.54	\$378.27

*The Property Damage premium with no accidents includes a \$10.00 expense that was removed prior to calculating the accident surcharges for this example. The expense was added back after calculating the increase for the accident surcharge.

(2) Vehicle number two:

COVERAGE	PREMIUM WITH NO ACCIDENTS	PREMIUM INCLUDING SURCHARGE FOR ONE CHARGEABLE ACCIDENT	PREMIUM INCLUDING SURCHARGE FOR TWO CHARGEABLE ACCIDENTS
BODILY INJURY/ PROPERTY DAMAGE*	\$120.00	\$161.78	\$252.06
UNINSURED MOTORIST	\$5.00	\$6.09	\$6.55
PERSONAL INJURY PROTECTION	\$60.00	\$79.56	\$102.31
COMPREHENSIVE	\$40.00	\$47.36	\$56.36
COLLISION	\$75.00	\$105.39	\$156.06
TOTAL PREMIUM	\$300.00	\$400.16	\$573.34

*The Property Damage premium with no accidents includes a \$10.00 expense that was removed prior to calculating the accident surcharges for this example. The expense was added back after calculating the increase for the accident surcharge.