

Allstate Fire and Casualty Insurance Company

Facts About Your Automobile Insurance

The Cost Of Your Insurance

We are as concerned as you are about the rising costs of auto insurance. We have always tried to hold the line on the expenses we can control. We make every attempt to keep those expenses to an absolute minimum. But those expenses are just a part of your premium.

The number and cost of accidents has a significant bearing on the cost of insurance. Greater accident expenses, physicians' fees, hospital/medical costs and the high number of accidents can cause increased insurance costs for everyone.

Why People Pay Different Rates

We have developed a highly refined system to provide each policyholder with the fairest rate possible. Not all companies use the same factors. In addition, the importance we give to one factor may differ from the importance another company places on it. We determine our rating factors based on statistical data we have collected.

Michigan law limits the factors insurance companies can use in setting the rate for an insurance policy. Here are some of the most important factors Allstate now uses:

Garaging Location

Although premiums between city, suburban, and rural areas may vary, it is generally true that the premium in rural and suburban areas will be less than those in city areas. That's because there is a greater frequency of accidents in city areas, and these areas are generally more congested. In addition, auto repair costs, medical costs, and other costs are generally higher in city areas.

As a result, people who live in less congested rural areas generally pay lower insurance premiums than they would if they lived in a metropolitan area of the state.

Age of Driver

Statistics have shown that accident involvement varies with the age of the driver. As a result, the driver's age is reflected in your insurance premiums.

Accident and Violation Involvement

Rating programs based upon past accidents and traffic violations are quite common. Insurance companies have been able to statistically demonstrate that good drivers, in total, have less potential for future accidents than classes of drivers with poor driving experience. Our company's program provides lower rates to those drivers who have had no substantially "at-fault" accidents during the past three years, no Personal Injury

Protection claims during the past three years, and no traffic violations within the past two years. Drivers with violations, substantially "at-fault" accidents, or Personal Injury Protection claims will generally be charged higher premiums.

Type, Model Year, and Price of Vehicle

The cost to repair a damaged car depends upon many factors, such as the make and model of the car, its model year, and its price. Newer and more expensive cars generally cost more to repair. Premiums for **older** cars may be as much as 25 to 50 percent less for Collision and Comprehensive coverages. Premiums for **less expensive** cars may also offer premium savings of 25 to 50 percent.

Use of Vehicle

Your premium may vary depending on whether your vehicle is used mainly for pleasure, business, on the farm, or driven to and from work. Customers whose vehicles are used for business will generally pay higher premiums than those whose vehicles are driven to and from work.

Ways You Can Help Reduce Your Premium

As you can see, the cost of your insurance is determined by a number of factors. Some of these you can control.

Deductibles

Deductibles, for example, play an important part in determining the cost of your Collision, Comprehensive, and Personal Injury Protection insurance. Briefly, a deductible is the amount **you** agree to "cover" for any loss. For example, if you have a \$100 deductible and the amount of a covered loss is \$900, you would pay \$100 and Allstate would pay \$800. Therefore, the higher the deductible, the lower your cost of insurance. When inflation is forcing up the overall cost of insurance, you can trim your premium by increasing your Collision, Comprehensive, and Personal Injury Protection deductibles. Depending upon your current deductible, you may be able to save up to 45% on Collision or Comprehensive coverage by choosing higher deductibles.

How you Purchase the Policy

Many factors go into the cost of your auto insurance policy, including how you purchase the policy. Your price will vary depending on whether you buy online, through a call center, or through an agent because of differences in costs for sales, service and marketing.

Continuous Prior Insurance

Your rate will vary depending on whether you have continuously maintained automobile liability insurance for the 12 months prior to purchasing the policy. Those deployed in

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the military will be treated as continuously insured if deployed outside of the United States and if they had coverage immediately prior to the deployment.

Discounts

In addition to changing your deductibles, you may also save money through discounts. Allstate has a number of money-saving discounts that may help to reduce your premium. (Discounts are subject to availability and qualifications. Other terms, conditions, and exclusions may apply.)

Multiple Policy Discount

If you have both an Allstate Automobile insurance policy and an Allstate Homeowners, Condominium Owners, or PUP insurance policy, you may be eligible for this discount.

Allstate® Easy Pay Plan Discount

If your premium is paid through the Allstate® Easy Pay Plan, you may qualify for this discount. The Allstate® Easy Pay Plan Discount does not apply to policies in the Allstate Your Choice Auto® Insurance or Allstate Value Plan option package.

FullPay Discount

You may qualify for this discount at new business if you pay your premium in full at the point of sale of your new policy. You may also qualify at renewal if you pay your premium in full no later than the date specified by your agent.

Early Signing Discount

You may qualify for this discount if, at new business, your Allstate Automobile insurance policy application was completed 7 or more days before your original policy effective date.

New Car Discount

If you plan to purchase a new car, you may qualify for this discount which lasts for 3 years following the date you purchase your new automobile.

The Allstate Good Hands People® Discount

This discount is available to members of The Allstate Corporation Group.

Allstate eSMART® Discount

You may qualify for this discount at new business if you agree to enroll in ePolicy. You may also qualify at renewal if your policy is enrolled in ePolicy prior to the policy effective date.

Passive Restraint Discount

Allstate is always promoting highway safety and personal safety. So, to encourage use of air bag passive restraint systems, you may be eligible for a discount on your Personal Protection Insurance if you have factory-installed airbags.

Anti-lock Brake Discount

This discount applies to Liability and Collision coverages for 1983 and later model automobiles equipped with factory-installed antilock brakes on all four wheels.

Anti Theft Discount

If you protect your vehicle with an automobile theft prevention device (contact us to find out which types of devices are approved), you may be eligible for a discount on your comprehensive coverages.

Seat Belt Discount

If you are a seat belt wearer, you can cut your auto insurance costs! We will give you a discount on your Personal Protection Insurance premium when you certify that you and all other drivers of your insured vehicles will wear seat belts.

Senior Adult Discount

Allstate policyholders with at least 1 rated operator who is 65 years old or older may be eligible to receive a discount on Bodily Injury Liability, Property Damage Liability, Personal Protection Insurance, Collision, Comprehensive, Uninsured Motorists, and Underinsured Motorists coverage premiums for vehicles with annual mileage of 3,000 or less.

Excess Benefits

If you have a group, individual, employee, or statutory health plan that provides primary medical benefits and/or primary work loss benefits in case of an auto accident, you may qualify for a premium reduction on your Personal Injury Protection Medical and/or Non-Medical if you coordinate your health plan with your auto policy.

Make and Model Rate

You may be able to receive special low Collision and Comprehensive coverage rates for autos that have been demonstrated to cost less to repair and that have a lower theft potential. The percentage of savings depends on the make and model of the car you drive.

Allstate Auto/Life Discount

If you are the owner, insured, or payor on an individual life insurance policy or mortgage insurance policy written with Allstate or one of its affiliates prior to October 11, 2021, you may qualify for a discount on your Bodily Injury Liability, Property Damage Liability, Personal Protection Insurance, Collision, Comprehensive, Uninsured Motorists, and Underinsured Motorists coverage premiums.

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Allstate Drivewise® Program

If you enroll in the Drivewise Program or are currently enrolled in the Drivewise Program, you may be eligible for a Drivewise Discount that will be applied to your policy during the initial policy period. You may also be eligible for a Drivewise Discount at subsequent renewal if the eligibility requirements are met.

Drivewise Performance Rating

If you are participating in the Drivewise Program, your premium may vary depending on how you drove during the prior 12 months. By participating in the Drivewise Program, your driving behavior will be used to adjust your insurance rates at each renewal.

Table Assignment Number

Each customer is assigned to a Table Assignment Number Group which should help to keep your premium more stable over time.

Electronic Stability Control Discount

If you own a vehicle equipped with Electronic Stability Control, you may be eligible for this discount.

Safe Driving Club®

You may qualify for the Safe Driving Club if at least one driver on the policy has had no at-fault accidents during the prior 5 years and if you have continuously maintained automobile liability insurance for the 3 years preceding the effective date of your current Allstate policy. The more drivers on the policy without at-fault accidents during the prior 5 years, the larger the discount.

Responsible Payer Discount

This discount automatically applies at new business. You may continue to receive this discount at renewal if you have not received any cancellation notices for non-payment of premium during the previous policy period.

Information About Eligibility for Insurance

Under the Essential Insurance Act in Michigan, you are eligible for auto insurance if: (1) you have a valid Michigan driver's license, or (2) you are the owner or registrant of an automobile registered in the state, or that is about to be registered in the state, or a nonresident owner or registrant required to have no-fault security. However, there are exceptions under the law to this eligibility standard.

Therefore, Allstate is not required to issue a policy to:

- anyone whose driver's license is presently suspended or revoked;

- anyone who has been convicted of fraud or intent to defraud in the past five years, involving a claim or application for insurance;
- anyone whose automobile insurance policy has been canceled for nonpayment of premium in the past two years (this may be waived if the applicant pays the full premium on the application for the new policy);
- anyone who in the past three years has been convicted of any of the following:
 - manslaughter, negligent homicide, or any other felony resulting from the operation of a motor vehicle,
 - reckless or negligent driving,
 - speed or drag racing,
 - driving under the influence of drugs or alcohol,
 - driving while impaired by drugs or alcohol, or
 - leaving the scene of an accident;
- anyone whose vehicle does not meet the legally prescribed safety requirements;
- anyone who in the past three years has accumulated **more** than seven eligibility points. (For an explanation of "eligibility points" please refer to the definition of "Insurance Eligibility Points" provided below.)

Even though you may not be eligible for Allstate due to the above requirements, you can possibly obtain automobile insurance protection through the Michigan Automobile Insurance Placement Facility Plan. Contact your Allstate Agent for details.

Important Note

The laws in Michigan give you the right to appeal to the Michigan Department of Insurance and Financial Services, the rate filings of Allstate Fire and Casualty Insurance Company as a contested case under the provisions of Act No. 306 of the Public Acts of 1969. You also have the right to appeal any final decision of the Michigan Department of Insurance and Financial Services under the same provision of the law.

"Insurance Eligibility Points" are points calculated according to the following schedule:

- Exceeding speed limit by more than 15 miles per hour, or careless driving 4 Points
- Exceeding speed limit by more than 10 miles per hour, but less than 16 miles per hour 3 Points

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- Exceeding speed limit by 6 to 15 miles per hour on a roadway which had a posted maximum speed of 70 miles per hour or greater as of January 1, 1974 2 Points
- Exceeding speed limit by 6 to 10 miles per hour 2 Points
- Exceeding speed limit by 1 to 5 miles per hour 1 Point
- All other moving violations pertaining to the operation of motor vehicles 2 Points
- Substantially at-fault accidents*
 - 1st accident 3 Points
 - 2nd and subsequent accidents 4 Points

"Substantially at-fault" means a person's action or inaction was **more** than 50% the cause of the accident.

Need More Information?

In most cases, the first person to go to is your Allstate agent. Our agents are professionally trained and licensed insurance representatives ready to answer your insurance questions. If you need further assistance, you should contact our Customer Service Department at:

Telephone: 1-800-ALLSTATE® or www.allstate.com

If you have any questions on (1) how you were rated, or (2) our decision to reject, cancel, or not renew your policy, you are entitled to a conference with Allstate management. To arrange a conference, simply contact your Allstate agent or Allstate Customer Service Department. Allstate must respond to your request within 30 days.

If the conference does not answer your questions, you may request a further review by the Insurance Director. The address and phone number are:

Department of Insurance and Financial Services

530 W. Allegan St., 7th Floor

PO Box 30220

Lansing, MI 48909

Telephone: 517-284-8800 or toll free at 877-999-6442

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