

# AMERICAN RELIABLE INSURANCE COMPANY

## PENNSYLVANIA COVERAGE INFORMATION BOOKLET

IF YOU HAVE ANY QUESTIONS REGARDING ANY OF THE FOLLOWING STEPS, CALL YOUR AGENT OR AMERICAN HOBBYIST INSURANCE TO BE SURE YOUR CHOICES FIT YOUR NEEDS AND BUDGET.

### STEP A: TORT OPTION SELECTION (Select Only One)

The law requires you to select a tort option by signing your name on the attached YELLOW sheet. You have two options. The first is called the "limited tort" option. By choosing this option, you save the most money by agreeing to limit your ability to sue for pain and suffering, except in cases where you have been injured seriously in an accident. Even if you choose this option, you still retain a full ability to sue for pain and suffering if you sustain death, impairment of bodily function or disfigurement or if you are injured by an uninsured motorist, an out-of-state registered vehicle, or a drunk driver who causes an accident. And, you are never, under any circumstances, barred from suing if you have unpaid bills such as medical bills or loss of income.

**You can select this option by signing your name at signature line I on the YELLOW sheet and dating it.**

The second option is called the "full tort" option. By choosing this option, you save less money because you retain your ability to sue for pain and suffering in an accident.

**You can select this option by signing your name at signature line II on the YELLOW sheet and dating it.**

### STEP B: UNINSURED MOTORIST PROTECTION OPTION

The law no longer requires you to purchase uninsured motorist coverage: it is now an optional coverage. However, your insurance company is required to include it in your policy unless you take steps to reject it.

Uninsured motorist protection is insurance coverage you carry on your own policy that protects only you and your family if you or they are injured by a negligent driver who fails to have any insurance coverage.

**If you do not want this coverage, the insured named first on the front page of the instructions must sign and date the BLUE waiver sheet under paragraph A. If you want to keep this coverage, do not sign.**

### STEP C: REJECTION OF "STACKED LIMITS" FOR UNINSURED MOTORIST COVERAGE

If you have chosen to keep uninsured motorist coverage in your policy, your next option is to determine if you wish to stack the limits of this coverage. "Stacking" means you can claim a total of the amounts of uninsured motorist coverage assigned to each vehicle in your policy. If you reject "stacked limits" each vehicle insured under the policy will have its own limits of uninsured motorist coverage. You will save on this part of your premium if you reject "stacking."

**To reject "stacked limits" of uninsured motorist coverage, the insured named first on the front page of the instructions must sign**

**and date the BLUE waiver sheet under paragraph B. If you want to stack this coverage, do not sign.**

### STEP D: UNDERINSURED MOTORIST PROTECTION OPTION

The law no longer requires you to purchase underinsured motorist coverage: it is now an optional coverage. However, your insurance company is required to include it in your policy unless you take steps to reject it.

Underinsured motorist protection is insurance coverage you carry in your own policy that protects only you and your family if you are injured by a negligent driver who does not have enough bodily injury liability insurance to cover your claims.

**If you do not want underinsured motorist coverage, the insured named first on the front page of the instructions must sign and date the GREEN waiver sheet under paragraph A. If you want to keep this coverage, do not sign.**

### STEP E: REJECTION OF "STACKED LIMITS" FOR UNDERINSURED MOTORIST COVERAGE

If you have chosen to keep underinsured motorist coverage in your policy, your next option is to determine if you wish to stack the limits of this coverage. "Stacking" means you can claim a total of the amounts of underinsured motorist coverage assigned to each vehicle in your policy. If you reject "stacked limits," each vehicle insured under the policy will have its own limits of underinsured motorist coverage. You will save on this part of your premium if you reject "stacking."

**To reject "stacking limits" of underinsured motorist coverage, the insured named first on the front page of the instructions must sign and date the GREEN waiver sheet under paragraph B. If you want to keep this coverage, do not sign.**

### STEP F: OTHER PREMIUM REDUCTION OPTIONS

The new law has reduced the required amount of coverage for medical expenses from \$10,000 to \$5,000. Furthermore, wage loss coverage and a funeral benefit are now optional coverages.

You have to decide if you want to lower your medical expense coverage to the minimum required. Higher limits (up to \$100,000) are available from the company. If you have health insurance coverage through your employer, you should know that most health group insurance does not cover rehabilitation expenses. Rehabilitation expenses are covered under your auto policy. Keep in mind that your health insurance company will pay benefits only after you have exhausted the medical benefits of your auto insurance.

If you have no other health insurance, or limited coverage, you may want a higher level of medical expense insurance in your auto policy.

Wage loss coverage provides reimbursement for lost wages due to an auto accident. The funeral benefit provides money to pay for a funeral, where the death is the result of an auto accident.

**To make your selections, go to the PINK sheet entitled “Other Premium Reduction Options.”**

If you have any questions or concerns, you should contact your local agent or American Hobbyist Insurance to make sure the coverages and coverage amounts you select meet your needs.

### **PREMIUM DISCOUNTS**

The new auto insurance law requires insurance companies to provide certain premium discounts. You must receive discounts in your first party benefits insurance (medical expenses, wage loss, etc.) if your vehicle is equipped with passive seat belts or airbags. Passive seat belts are those which automatically fasten without any action by the driver or front seat passenger.

You must receive discounts under your comprehensive coverage if your vehicle is equipped with a passive anti-theft device. Passive anti-theft devices are systems installed which are activated automatically when the driver turns the ignition key to the off position. This does not include an ignition interlock provided as a standard feature by the manufacturer.

And, drivers who are 55 and older and who have successfully completed a driver improvement course approved by the Pennsylvania Department of Transportation, must receive a 5% discount for all coverages.

Many of these discounts were already provided by some companies. If this is the case, the premium reductions required may have already been included in your rate.

**To determine if you qualify for a discount, go to the PINK sheet entitled “Other Premium Reduction Options” to the paragraph marked Premium Discounts.**

If you have any questions, call your local agent or American Hobbyist Insurance.

### **COLLISION DEDUCTIBLES**

If you have collision coverage, your deductible will be less than \$500, which is the collision deductible amount available under the new law. These lower deductibles increase the cost of your auto insurance policy.

**To select the \$500 deductible, go to the PINK sheet entitled “Other Premium Reduction Options” and sign and date the signature line under the paragraph marked Collision Deductibles.**

Remember, the deductible is subtracted from the amount the insurance company would be obligated to pay. You are responsible for the deductible amount.

### **STEP G: FINAL CHECK**

Make sure you return the **YELLOW, BLUE, GREEN** and **PINK** sheets so your company can process your new policy. You may want to photocopy the sheets for your files before they are returned to the company.

You may keep this booklet for your own reference.

**REMEMBER: IF YOU HAVE ANY QUESTIONS, CALL YOUR LOCAL AGENT OR AMERICAN HOBBYIST INSURANCE.**

# AMERICAN RELIABLE INSURANCE COMPANY

## HOW TO LOWER YOUR RATES

Read the accompanying booklet and use it to complete each of the following steps.

### STEP A

#### Tort Selection

(see page 1 of booklet for explanation)

The law requires you to select a tort option by signing your name on the enclosed **yellow** sheet. You may select only one option.

1. If you want the limited tort option, sign and date signature line I on the **yellow** sheet.
2. If you want the full tort option, sign and date signature line II on the **yellow** sheet.
3. After you select your option, set the **yellow** sheet aside to return to your agent or American Hobbyist Insurance and go to Step B.

### STEP B

#### Uninsured Motorist Protection

(see page 1 of booklet for explanation)

The law no longer requires you to buy uninsured motorist protection: it is now optional.

1. If you want to keep this coverage in place, go to **Step C**.
2. If you want to remove it from your policy, the named insured listed first on the front page must sign and date paragraph A on the **blue** sheet entitled "Rejection of Uninsured Motorist Protection" and go to **Step D**.

### STEP C

#### Rejection of "Stacked Limits" for Uninsured Motorist Coverage

(see pages 1 & 2 of booklet for explanation)

The new law says that if you decide to keep the uninsured motorist coverage, and have to make a claim, the coverage you have on all your vehicles is added together to total the limit of the benefit available to you. This "stacking" costs you extra premium and can only be used if you have more than one vehicle.

1. If you want to keep stacked limits of uninsured motorist coverage, do nothing but set the **blue** sheet aside and go to **Step D**.
2. If you want to reject stacking to save money, the named insured listed first on the front page must sign and date paragraph B on the **blue** sheet entitled "Rejection of Stacked Uninsured Coverage Limits" and set that sheet aside to be returned to your agent or American Hobbyist Insurance. Go to **Step D**.

### STEP D

#### Underinsured Motorist Protection

(see page 2 of booklet for explanation)

The law no longer requires you to buy underinsured motorist protection; it is now optional.

1. If you want to keep underinsured motorist coverage, go to **Step E**.
2. If you want to remove the coverage from your policy, the named insured listed first on the front page must sign and date paragraph A on the **green** sheet entitled "Rejection of Underinsured Motorist Protection." Set that sheet aside to be returned to your agent or American Hobbyist Insurance. Go to **Step F**.

### STEP E

#### Rejection of "Stacked Limits" for Underinsured Motorist Coverage

(see page 2 of booklet for explanation)

The new law says that if you decide to keep underinsured motorist coverage, and have to make a claim, the coverage you have on all your vehicles is added together to total the limit of the benefit available to you. This "stacking" costs you extra premium and can only be used if you have more than one vehicle.

1. If you want to keep stacked limits of underinsured motorist coverage, do nothing but set the **green** sheet aside and go to **Step F**.
2. If you want to reject stacking to save money, the named insured listed first on the front page must sign and date paragraph B on the **green** sheet entitled "Rejection of Stacked Underinsured Coverage Limits" and set that sheet aside to be returned to your agent or American Hobbyist Insurance. Go to **Step F**.

### STEP F

#### Other Premium Reduction Options

(see page 2 of booklet for explanation)

Other premium reduction options include:

- lowering your medical coverage
- dropping wage loss coverage and the funeral benefit
- safety device discounts
- collision deductible of \$500
- driver improvement course discount

Go to the **pink** sheet entitled "Other Premium Reduction Options" to make these selections.

### STEP G

#### Final Check

**Make sure you return the yellow, blue, green and pink sheets so your company can process your new policy. Keep a copy for your files.**

**If you have any questions, call your agent or American Hobbyist Insurance.**

## NOTICE TO NAMED INSURED

# AMERICAN RELIABLE INSURANCE COMPANY

- A. **“Limited Tort” Option** - The laws of the Commonwealth of Pennsylvania give you the right to choose a form of insurance that limits your right and the right of members of your household to seek financial compensation for injuries caused by other drivers. Under this form of insurance, you and other household members covered under this policy may seek recovery for all medical and other out-of-pocket expenses, but not for pain and suffering or other nonmonetary damages unless the injuries suffered fall within the definition of “serious injury” as set forth in the policy, or unless one of several other exceptions noted in the policy applies. (See enclosed booklet for a description of “serious injury” and the exceptions.) The annual premium for basic coverage is \$ \* which reflects the coverages and amounts of coverage you have now. The annual premium for basic coverage as required by law under this “limited tort” option is \$ \*.

Additional coverages under this option are available at additional cost.

- B. If you wish to choose the “limited tort” option described in paragraph A, you must sign this notice where indicated below and return it. If you do not sign and return this notice, you will be considered to have chosen the “full tort” coverage as described in paragraph C, and you will be charged the “full tort” premium. I wish to choose the “limited tort” option described in paragraph A:

## SIGNATURE LINE I

| NAMED INSURED | DATE | POLICY NUMBER |
|---------------|------|---------------|
| <b>X</b>      | / /  |               |

- C. **“Full Tort” Option** - The laws of the Commonwealth of Pennsylvania also give you the right to choose a form of insurance under which you maintain unrestricted right for you and the members of your household to seek financial compensation for injuries caused by other drivers. Under this form of insurance, you and other household members covered under this policy may seek recovery for all medical and other out-of-pocket expenses and may also seek financial compensation for pain and suffering and other nonmonetary damages as a result of injuries caused by other drivers. The annual premium for basic coverage is \$ \* which reflects the coverages and amounts of coverage you have now. The annual premium for basic coverages required by law under this “full tort” option is \$\*.

Additional coverages under this option are available at additional cost.

- D. If you wish to choose “full tort” option described in paragraph C, you may sign this notice where indicated below and return it. However, if you do not sign and return this notice, you will be considered to have chosen the “full tort” coverage as described in paragraph C, and will be charged the “full tort” premium.

## SIGNATURE LINE II

| NAMED INSURED | DATE |
|---------------|------|
| <b>X</b>      | / /  |

You may contact your agent or American Hobbyist Insurance to discuss the cost of other coverages.

**\*Consult with your local agent or American Hobbyist Insurance about premium charges.**

# AMERICAN RELIABLE INSURANCE COMPANY

## REJECTION OF UNINSURED MOTORIST PROTECTION

- A. By signing this waiver, I am rejecting uninsured motorist coverage under this policy, for myself and all relatives residing in my household. Uninsured Motorist coverage protects me and relatives living in my household for losses and damages suffered if injury is caused by the negligence of a driver who does not have any insurance to pay for losses and damages.

I knowingly and voluntarily reject this coverage.

| SIGNATURE OF FIRST NAMED INSURED | DATE |
|----------------------------------|------|
| <b>X</b>                         | / /  |

## REJECTION OF STACKED UNINSURED COVERAGE LIMITS

- B. By signing this waiver I am rejecting stacked limits of uninsured motorist coverage under the policy, for myself and members of my household under which the limits of coverage available would be the sum of limits for each motor vehicle insured under the policy. Instead, the limits of coverage that I am purchasing shall be reduced to the limits stated in the policy.

I knowingly and voluntarily reject the stacked limits of coverage.

I understand that my premiums will be reduced if I reject this coverage.

| SIGNATURE OF FIRST NAMED INSURED | DATE | POLICY NUMBER |
|----------------------------------|------|---------------|
| <b>X</b>                         | / /  |               |

# AMERICAN RELIABLE INSURANCE COMPANY

## REJECTION OF UNDERINSURED MOTORIST PROTECTION

- A. By signing this waiver, I am rejecting underinsured motorist coverage under this policy, for myself and all relatives residing in my household. Underinsured Motorist coverage protects me and relatives living in my household for losses and damages suffered if injury is caused by the negligence of a driver who does not have enough insurance to pay for losses and damages.

I knowingly and voluntarily reject this coverage.

| SIGNATURE OF FIRST NAMED INSURED | DATE |
|----------------------------------|------|
| X                                | / /  |

## REJECTION OF STACKED UNDERINSURED COVERAGE LIMITS

- B. By signing this waiver I am rejecting stacked limits of underinsured motorist coverage under the policy, for myself and members of my household under which the limits of coverage available would be the sum of limits for each motor vehicle insured under the policy. Instead, the limits of coverage that I am purchasing shall be reduced to the limits stated in the policy.

I knowingly and voluntarily reject the stacked limits of coverage.

I understand that my premiums will be reduced if I reject this coverage.

| SIGNATURE OF FIRST NAMED INSURED | DATE | POLICY NUMBER |
|----------------------------------|------|---------------|
| X                                | / /  |               |

## OTHER PREMIUM REDUCTION OPTIONS

Check boxes below to indicate your selections.

**Other Coverage Options**  
(see page 2 of booklet for explanation)

**Note:** Your policy is issued with \$5,000 medical coverage unless you've previously chosen otherwise.

1. Do you want to increase your medical coverage to \$10,000?  YES  NO
2. Do you want to increase your medical coverage to \$25,000?  YES  NO
3. Do you want to increase your medical coverage to \$100,000?  YES  NO
4. Do you want wage loss coverage of \$2,500 per month/\$50,000 total?  YES  NO  
[\$\_\_\_\_\_ per policy]
5. Do you want \$2,500 funeral expense coverage?  YES  NO  
[\$\_\_\_\_\_ per policy]

**Premium Discounts**

(see page 2 of booklet for explanation)

**Note:** The new law requires all auto insurance companies to provide safety discounts.

1. Does your vehicle have passive seat belts, which automatically fasten without any action by the driver or front seat passenger?  YES  NO
2. Does your vehicle have driver-side airbags only?  YES  NO
3. Does your vehicle have both a driver and passenger airbag?  YES  NO
4. Does your vehicle have an anti-theft device which activates automatically when the ignition is turned off?  YES  NO
5. Does your vehicle have an anti-theft device which can be manually activated only?  YES  NO
6. Are you age 55 or older?  YES  NO
7. If you answered "yes" to question 6, have you successfully completed a driver improvement course approved by PennDot (Pennsylvania Dept. of Transportation)?  YES  NO

**Collision Deductible**

(see page 2 of booklet for explanation)

Under the new law, you may elect a \$500 collision deductible.

Do you want a \$500 deductible? Collision Rates:  YES  NO

\$\_\_\_\_\_ per \$100 of value for Modified Vehicles;  
 \$\_\_\_\_\_ per \$100 of value for Antique Autos 1-14 years old;  
 \$\_\_\_\_\_ for Antique Autos 15-24 years old;  
 \$\_\_\_\_\_ for Antique Autos 25 years old - 1946;  
 \$\_\_\_\_\_ for Antique Autos 1945 - 1895.

|                           |                    |
|---------------------------|--------------------|
| NAMED INSURED<br><b>X</b> | SPOUSE<br><b>X</b> |
| POLICY NUMBER             | DATE               |