

ELIGIBILITY REQUIREMENTS FOR TIERED PRICING PROGRAM

The AIG Companies have two rate tiers in California for Commercial Automobile:

- Granite State Insurance Company (“Granite State) at -20% Deviation (Superior)
- All Other Companies – Undeviated (Standard)

The following table contains underwriting criteria for Commercial Automobile. These criteria are provided to assist in selecting the appropriate pricing tier for each account. Every policy must be evaluated for each characteristic\*. Determine eligibility as follows:

*Superior: At least two of the characteristics are rated Superior with no criteria below Standard.*

*Standard: At least two of the characteristics are rated Standard.*

<b>Characteristic</b>	<b>SUPERIOR</b>	<b>STANDARD</b>
Years in Business / Management	At least 5 years in business or equivalent experience.	At least 3 years in business or equivalent experience.
Hazards and Controls	Based on classification review in AM Best’s Underwriting Guide and/or FC&S (National Underwriter Company) Bulletins, insureds whose actual operations are much less hazardous or significantly better controlled than the average insured contemplated by the class.	Based on classification review in AM Best’s Underwriting Guide and/or FC&S (National Underwriter Company) Bulletins, insureds whose actual operations reflect the average insured contemplated by the class with respect to hazards or controls.
Safety Culture	Formal written safety program	Insured does not have a formal written safety program

\*If information for a specific characteristic is not available at the time of underwriting evaluation, the characteristic may be omitted. Accounts should be re-evaluated at each renewal. Renewal underwriting decisions may consider new information that has become available, which may result in movement of an account to a different pricing tier.

Exceptions to this eligibility should be rare. For an exception to be made there must be a compelling reason supporting the unsuitability of the indicated pricing tier. For example, you may have factual information suggesting that account characteristics or operations will be materially different in the near future than they have been in the past (i.e. acquiring a new entity or selling a portion of an existing operation, moving to a new location, buying new equipment, hiring a new safety director, etc.).