



March 16, 2011

BULLETIN NO. 5149-NH

TO: Merchants Insurance Group New Hampshire Personal Lines Agents

SUBJECT: Introduction of Merchants Flexible Choice Autosm

Great News for Our Personal Lines Agents!

Effective April 1, 2011 for new business and starting with June 1, 2011 renewals, we will be implementing our new **Merchants Flexible Choice Autosm Program (FCA)** for personal automobile policies in New Hampshire. With the introduction of Merchants Flexible Choice Autosm we are opening for personal lines in New Hampshire.

Merchants Flexible Choice Autosm offers a number of great features for insureds that will help you easily write your business with us. This new program brings significant changes to our underwriting eligibility, rating variables and coverages.

Features of Merchants Flexible Choice Autosm:

- The ability to quote online will be available on March 21, 2011, so you can begin early with our new product.
- The ability to process endorsements online
 - Available for FCA policies ONLY
 - Endorsements processed within 24 hours
 - Ability to provide quotes on “what-if” scenarios
 - Renewals automatically updated
 - Not required to process a 2nd endorsement
- Agent keeps all state-specific forms on file
- Our **new rating variables** provide better pricing as well as a broader underwriting appetite. We now have 26 rating tiers, a single territory for the entire state with geographic factors based on zip code, household composite that replaces the ISO class plan, and new rating factors such as ratio of drivers to vehicles, vehicle age and body type.
- Great **new discounts** are also part of Merchants Flexible Choice Autosm. We provide discounts when a policyholder pays their bill in full as well as discounts for those using a company car or having a new car. Also, those policyholders with young drivers in their household may be eligible for the good student and minor child discounts. These are all in addition to the safety discounts we already offer!
- **Free roadside assistance** is an exclusive benefit to all Merchants Flexible Choice Autosm customers that have both comprehensive and collision coverage.



- We are also introducing three **new package endorsements**. We have expanded our **Package of Protection (“POP”) Endorsement**. We also offer the **Extra Advantage Endorsement** and the **Extra Advantage Plus Package Endorsement** for the most comprehensive coverages.

In addition, our existing policyholders will be able to receive the same great benefits, as they will be automatically renewed in Merchants Flexible Choice Autosm at their next renewal, **on or after June 1, 2011**. All renewals will follow the same personal auto new business guidelines and be tiered as new business. In the event a renewing policy has incomplete rating data, a neutral factor will be applied.

To learn more about this exciting new product, we invite you to attend one of our agency sales meetings, being held March 22nd and March 23rd. Information regarding the sales meetings, including times and locations, can be obtained by contacting Shayne Kelly at 1-800-258-3574, ext. 8302, or skelly@merchantsgroup.com.

We hope you are as excited as we are to offer this product. Our agents have provided the feedback to drive these changes, and we appreciate it! If you have questions or would like to discuss this great new product in more detail, please contact your Territory Manager, Kevin Lasante, 1-800-258-3574, ext. 8314, or your Personal Lines Underwriter, Doug Hausbeck, 1-800-462-1077, ext. 3243, and they’ll be happy to assist you.

Attachments: Merchants Flexible Choice Autosm brochure, M 731-NH

Merchants Flexible Choice Autosm Endorsements flyer, F 124-NH



*Merchants
Flexible
Choice AutoSM*

Protect your family, your auto and yourself with great coverages at competitive rates.

We offer personal auto insurance for most drivers and vehicles through our **Merchants Flexible Choice AutoSM** program that includes many coverage options and money saving discounts.

With the flexibility of this coverage, our independent insurance agents can help tailor **your** policy to meet **your** needs.

CLAIMS

To report a claim, please contact your insurance agent or call 1-800-258-3574.

24-hour emergency claims reporting: Merchants Insurance Group provides after-hours emergency claims reporting at 1-888-644-6680.

Auto glass claims reporting: Call Safelite Solutions' 24-Hour Scheduling Hotline at 1-877-446-0431 or visit Safelite's Web site, www.safelite.com to report a claim and schedule service.

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This brochure provides a brief summary of product coverages. For complete details of coverages, conditions, limits and exclusions, refer to the actual policy and its endorsements. Merchants Insurance Group includes Merchants Mutual Insurance Company and Merchants Preferred Insurance Company.

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*Merchants
Flexible
Choice AutoSM*

**Personal
Auto
Coverage**



M **MERCHANTS**
INSURANCE GROUP®

Money-Saving Discounts

Just bought a new car?



Our **New Car Discount** applies for the first 2 years. You'll receive a 6% discount the first year and 3% for the second year.

Have young drivers in your household?



We have two discounts that may help! Our **Good Student Discount** provides a 5% discount up to the age of 25 for good grades. The **Minor Child Discount** provides a 5% discount for disclosing to us a licensed minor child operator below the age of 20.



Merchants' Homeowners policy when a policyholder also has a Merchants Flexible Choice Autosm policy.

Insure your car and home with Merchants and save!

The **Multiple Policy Discount** provides a 3% discount on a

Additional discounts:

- **Driver Training**
- **Anti-Theft Devices**
- **Safety Equipment** such as anti-lock brakes, air bags and passive restraints
- **Paid in Full** - You can receive a 2% discount when you pay your policy in full within 36 days of inception.



Roadside Assistance



With the addition of physical damage coverage (collision and comprehensive coverage), we provide **free** roadside assistance!

- *24-hour toll-free assistance in the US and Canada 365 days a year
- *Towing to the nearest qualified service facility
- *Battery service
- *Gas/oil/fluids delivery
- *Lock-out assistance
- *Collision towing

Customize your coverage options with these enhancements!

Package of Protection (POP) Endorsement

- Rental Car Coverage
- Personal Effects Coverage
- Trip Coverage/Emergency Lodging Coverage

Extra Advantage Endorsement:

Includes all of the "POP" Endorsement features plus:

- Disappearing Deductible
- Replacement Cost Coverage

Extra Advantage Plus Package Endorsement:

Includes all of the "POP" Endorsement features and the Extra Advantage Package Endorsement features plus:

- Original Equipment Manufacturers (OEM) Coverage
- Collision Deductible Waiver Coverage
- Accidental Air Bag Deployment Coverage



Great options to meet your auto insurance needs!

"Package of Protection" (POP) Endorsement:

Rental Car Coverage

You will receive a comparable car to what you currently drive for up to 30 days.

Personal Effects Coverage

has increased to \$500.

Trip Coverage/Emergency Lodging Coverage

has increased to \$600 when more than 100 miles from home while waiting for necessary repairs from a covered loss.

FREE ROADSIDE ASSISTANCE

With the addition of physical damage coverage (collision and comprehensive coverage), Merchants provides **free roadside assistance** including 24-hour toll-free assistance in the US and Canada 365 days a year; towing to the nearest qualified service facility; battery service; gas/oil/fluids delivery; lock-out assistance; collision towing.

Want even more coverage? Try the **Extra Advantage Endorsement:**

Includes all of the "POP" Endorsement features plus:

Disappearing Deductible

With no paid claims or accidents, the \$500 minimum deductible will decrease by \$100 per year to a minimum deductible of \$100.

Replacement Cost Coverage

Ideal for new vehicles; loss payment will change to Replacement Cost from Actual Cost Value for the first 18 months.

For the most extensive coverage, try our **Extra Advantage Plus Package Endorsement:**

Includes all of the new "POP" Endorsement features and the Extra Advantage Package Endorsement features plus:

Original Equipment Manufacturers (OEM) Coverage

OEM parts are guaranteed up to 5 years.

Collision Deductible Waiver Coverage

This applies when your vehicle is hit while parked. Damage must exceed the collision deductible.

Accidental Air Bag Deployment Coverage

We will cover the cost of reinstalling an air bag if the air bag deploys without the auto being involved in a collision or other-than-collision occurrence.

