

Our policy is performance.™



FAQS

Offer your Customers the advantage—

DriveSmart Advantage

Connections® Auto has just gotten better! With its latest enhancement—**DriveSmart Advantage (DSA)**—your customers will see the value and “Smart Savings” as soon as they add this endorsement to their policy!

Product Features:

This new, optional endorsement offers value with each of its three competitive features:

- New Car Replacement Guard
- Second Chance Accident Forgiveness
- Deductible Dividends





WHAT DOES NEW CAR REPLACEMENT GUARD COVER?

New Car Replacement Guard provides peace of mind for your customers when they buy or lease a new vehicle. With this great feature, if your customer totals their new vehicle within one year of purchase, we will cover the replacement—without adjusting for depreciation!

To benefit from this feature, all the following criteria must be met:

- Endorsement must be added to the policy before total loss occurs,
- Total loss must occur within 1 year of the purchase or lease date, and odometer has 15,000 miles or less when totaled; whichever comes first,
- Vehicle had less than 500 miles on the odometer when purchased or leased, and
- Must be a covered loss

With *New Car Replacement Guard*, we will replace the customer's totaled auto with a new vehicle of the same make, model and equipment or pay the replacement cost—providing your customer with peace of mind and Smart Savings!

Are there exclusions with New Car Replacement Guard?

There are a few exclusions that apply to *New Car Replacement Guard*:

- Non-owned vehicles are not covered
- If the car is over one year old from the date of purchase or if the odometer has greater than 15,000 miles, whichever comes first

- Off-road vehicles, motor homes, motorcycles, recreational vehicles or any vehicle valued over \$150,000
- Any vehicle that is currently on the **Connections Auto** restricted vehicle list (found in the Agent Guide on TAP)

How can I verify the miles on the vehicle at time of purchase?

Customer Service Representatives should ask the customer how many miles were on the vehicle's odometer when purchased. The bill of sale or certificate of registration will contain this information, as well as the vehicle's title (if the Insured has the title).



WHAT IS SECOND CHANCE ACCIDENT FORGIVENESS?

Second Chance Accident Forgiveness rewards your customers who are great drivers by forgiving the first surchargeable accident within a 36 month period. That means no surcharge points on the policy for that accident—and no increase in premium as a result of the accident.

How often can customers benefit from Second Chance Accident Forgiveness?

Customers can benefit from *Second Chance Accident Forgiveness* when:

- Accidents to be forgiven occur more than 36 months apart
- Only one accident per policy can be forgiven in any 36 months period
- The accident applies to the policy, not the driver. If the driver (who had the surchargeable accident) is removed from the policy, the accident still applies to the 36 month timeframe.
- The endorsement is added before the accident occurs

If a second loss occurs within the 36 months, will the first and second loss be surcharged at renewal or just the second loss?

Only the second loss would be surcharged. The first surchargeable accident (which is the accident that is forgiven) would not be surcharged. True Accident Forgiveness!



WHAT DOES DEDUCTIBLE DIVIDENDS OFFER?

Deductible Dividends add up to Smart Savings for your customers by providing the following reduction to their collision deductible:

- \$100 when **DriveSmart Advantage** is added to their policy

- \$100 for each full annual term Insured is free of paid collision claims and any other surchargeable losses, up to \$500! (Minimum deductible is \$100).

So, if your customer has a \$500 collision deductible, once they added the endorsement, it would be reduced to \$400. After three additional annual loss-free policy terms, their deductible would be reduced to the minimum of \$100!

FAQs

Availability

Who can purchase the DriveSmart Advantage endorsement?

DriveSmart Advantage is available to all **Connections Auto** policyholders that are written or renewed on or after the date **DriveSmart Advantage** is effective in your state. All **Connections Auto** customers can benefit from this endorsement such as account customers, multi-car families, and people who buy new cars every few years.

Can DriveSmart Advantage be added mid-term to a Connections Auto policy?

Yes—**DriveSmart Advantage** can be added mid-term if the policy is written or renewed effective on or after the state's effective date for implementing the endorsement (state effective dates will vary). **Connections Auto** customers can add this endorsement regardless of their policy term.

In this example, the endorsement was implemented with an effective date of 8/15/08:

A six-month policy is written 4/1/08 and renews 10/1/08. The endorsement can not be added to the policy until 10/1/08 or later. If that customer chooses not to add it on 10/1/08 but changes their mind 12/1/08, they may add it mid-term because the policy has already had its first renewal cycle after the endorsement's implemented effective date of 8/15/08.

If DriveSmart Advantage is removed from a policy, would my customer still benefit?

Customers can benefit from **DriveSmart Advantage's** three valuable features only when the endorsement is in effect. If DSA is deleted off a policy, the customer would no longer benefit from these features.

Can a customer select only one of the DriveSmart coverages versus the entire form?

DriveSmart Advantage is a package endorsement so all three product features are bundled together in the package. The individual product features are not being sold separately.

Can a customer with a single car auto policy or a mono-line auto customer purchase DriveSmart coverage?

Yes. All **Connections Auto** customers can purchase and benefit from this endorsement (pending state availability).

Pricing

How does DriveSmart Advantage premium compare to what is available in the market place?

Both our **Connections Auto** product and **DriveSmart Advantage** are competitively priced, offering tremendous value in the event of a claim. For state-specific pricing, see your Territory Sales Manager.



Adding the Endorsement

Are there any new coverage codes I need to add to my Agency Management System prior to writing DriveSmart Advantage?

Yes, you will need to add a new code to your system for **DriveSmart Advantage**. The code for **DriveSmart Advantage** is SMAAD and is included in the download code list on TAP.

How do I add the DriveSmart Advantage endorsement to my customer's policy?

DriveSmart Advantage is fully supported by our Point of Sale (POS) system. Simply log on to The Agency Portal (TAP) (<https://tap.hanover.com>) and click on the quote issue endorse—POS link. The **DriveSmart Advantage** endorsement can be added by selecting the radio button "Value Added Endorsements" on the "Policy Level Coverage & Rating Information" screen.

How will my client know the endorsement has been added to their policy?

Your customer will see the endorsement listed on their declarations page as "**DriveSmart Advantage**" with form number 231-2711. A copy of the form will also be included in the policy output.

Does DriveSmart Advantage apply to all vehicles on a policy?

Yes, this endorsement is a policy-level endorsement, so all vehicles listed on the policy are covered.

My customer would like to add DriveSmart Advantage to their policy but does not want collision coverage—would the endorsement still benefit them?

Yes. By adding **DriveSmart Advantage** to the policy they will still be able to benefit from *Second Chance Accident Forgiveness* and *New Car Replacement Guard (NCRG)*. NCRG would apply if they have comprehensive coverage, the total loss is a covered comprehensive claim, and if the car qualified under NCRG eligibility rules. The only feature they will be unable to benefit from is *Deductible Dividends*.

Additional Information

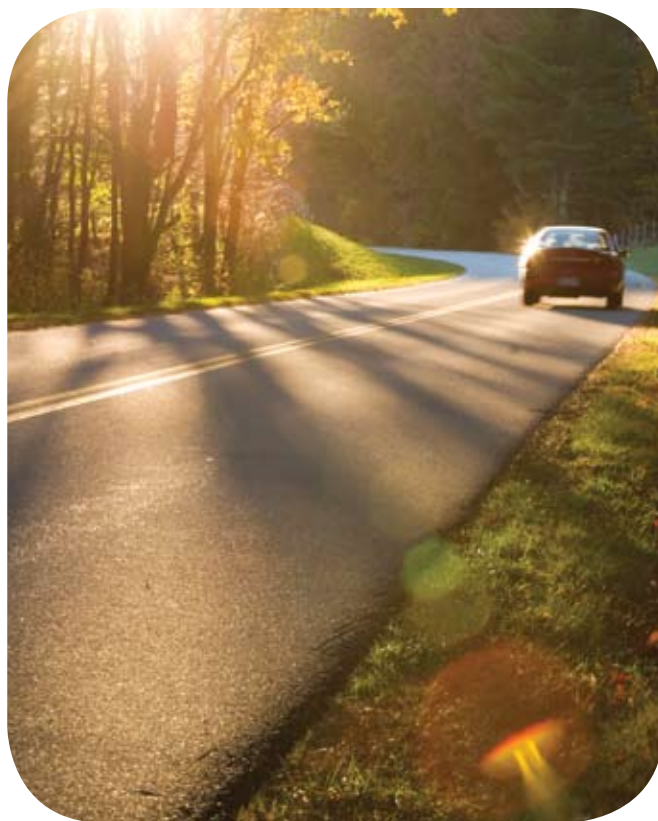
If I have additional questions about DriveSmart Advantage who may I contact?

Your Territory Sales Manager can assist you with any additional questions you may have.

Marketing

Are marketing materials available to help me sell this product to my customers?

Yes. You can review and order marketing materials online through TAP at <https://tap.hanover.com> and FAST (Forms and Sales Tools).



Our policy is performance.™

The Hanover is a leading super regional property and casualty insurance company dedicated to achieving world class performance. Our commitment is to deliver the products, services and technology of the best national companies with the responsiveness, market focus and local decision-making of the best regional companies. This powerful combination has been a proven success since our founding in 1852, and is backed by its financial strength rating of "Excellent" from A.M. Best.



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