



The financial wisdom of higher deductibles

Choose a Home policy deductible of \$2,500 or more, and save in two important ways

Save on premiums

Choosing a high deductible reduces your premium. For example, the difference in premium between a policy on a \$1 million home with a \$2,500 deductible and one with a \$500 deductible can be up to \$1,500. Those annual savings build up year after year.

Save with our Deductible Reserve

Homeowners with deductibles of \$2,500 or higher automatically have 10 percent of the deductible amount added to a "reserve" each year the policy is loss-free. If a covered loss occurs, the policy deductible is reduced by the amount held in reserve.

After only two years, savings can exceed the higher deductible

On average, a homeowner has a loss on his or her Home policy once every 11 years; therefore, you stand an excellent chance of coming out ahead. As the chart below shows, a typical policyholder with a \$2,500 deductible can benefit after two years and save \$17,000 after 11 years.

If 1st Loss Occurs in Year #	(1) Cumulative Premium Savings	(2) Deductible Reserve Savings	(1+2) Combined Benefit	(3) Difference in \$500 vs. \$2,500 Deductible	(1+2-3) Total Savings
1	\$1,500	\$0	\$1,500	\$(2,000)	\$(500)
2	\$3,000	\$250	\$3,250	\$(2,000)	\$1,250
11	\$16,500	\$2,500	\$19,000	\$(2,000)	\$17,000

Choose an Auto policy deductible of \$1,000, and achieve similar savings

- *Save with the Deductible Reserve.* This benefit also applies if you choose a Collision and/or Comprehensive deductible for your automobile of \$1,000 or higher. For every loss-free year, 10 percent of the deductible will be added to the reserve until your deductible reaches zero.*
- *Save 30 percent in premiums.* The average automobile owner will save approximately 30 percent on annual premium by choosing a \$1,000 deductible instead of a \$500 deductible.

Call your agent to learn about the potential savings on your policy.

Important Notice: This brochure contains a general description of how deductibles may apply. This brochure contains only a general description of the insurance coverages provided by our policies. How the policy applies to any actual loss depends on the facts, and higher deductibles may result in a reduction of benefits available after a loss. Coverage terms are subject to change and can vary by state. The brochure does not include all of the benefits and limitations found in the policy. The insurance policy itself, not this descriptive brochure, will form the contract between the policyholder and the insurance company. The minimum deductible reserve applicable to homeowners policies in New York is \$100. *The minimum deductible reserve applicable to automobile policies in New York and Pennsylvania is \$100 for Collision and \$50 for Comprehensive.