

Columbus Mutual Town Insurance Company



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September 5, 2018

IMPORTANT NOTICE FOR ALL POLICYHOLDERS REGARDING A NEW CLAIM SURCHARGE PROGRAM.

Dear Policyholder:

Insurance is designed to protect one's property from *catastrophic* unforeseen losses.

On average 95% of our policyholders do not submit any claims. However, the remaining claims are substantial enough to potentially cause *everyone's* premium to rise. In order to prevent this, Columbus Town Mutual Insurance Company and the vast majority of insurance companies have a Claim Surcharge Program designed to isolate the rising cost of claims.

This document serves as notice of a Claim Surcharge Program that will apply to all policies. Please be sure to read the following notice that describes this program in detail:

What is a Claim Surcharge?

A surcharge is an *additional premium amount that will be charged to the policy*, for a limited number of years, *as a result of a paid loss or losses covered under the policy*.

How does it work?

All policies renewing on or after November 15, 2018 (?) are subject to this surcharge program.

*All Property Claims/Losses with **August 13, 2018** or after loss date reported to Columbus Mutual Town Insurance Company* are subject to this surcharge program.

At renewal, your policy premium will be surcharged 5% per claim, (up to three (3) claims) with a maximum of 15% surcharged, based on the number of claims you have that meet the criteria above.

Upon each renewal, policies will be reviewed for eligible claims occurring within the three-year experience period: Each 5% surcharge will be removed upon the third anniversary of the claim.

Please remember that claims for losses you may have had prior to **August 13, 2018** are not subject to this surcharge program.

Be assured that this surcharge will only apply while claims remain within the three year period.

Respectfully,
Columbus Town Mutual Insurance Company