

SUMMARY OF CONSUMER PROTECTIONS

If you are shopping for auto or homeowners' insurance, or if your current policy is up for renewal, NJM Insurance Group may be looking at your credit history. As a general rule, we use your credit history in connection with our rating program to measure your risk of having an insurance loss. Insurance scoring is one of many factors used to appropriately align premium with insurance risk. This insurance score is a tool used to predict future losses and is based on information gathered from consumer credit reports. We obtain insurance scores from an independent company that provides credit and other information to the insurance industry. We only use your insurance score for rating purposes at new business unless you request we update it at renewal. Note that we will only use the updated insurance score on your renewal policy if it is to your benefit.

We are required to notify you of that and provide you with a summary of consumer protections regarding the use of your credit history in underwriting or pricing your insurance policy. These protections are that:

- we cannot deny, cancel or fail to renew coverage based solely on credit information;
- we are required to take into account the effect on your credit of extraordinary life circumstances (as described below);
- if we deny, cancel or increase your premium, or decrease your insurance coverage or amount of insurance based on your credit information, we are required to send you what's called an **adverse action notice** explaining the reason for our action; and
- we can use credit information for: (1) new insurance policies; and (2) on a renewal of an insurance policy. We may obtain and use your most updated credit information at renewal only at your request or if such use reduces your premium.

If your credit information has been adversely impacted by an extraordinary life circumstance that has occurred within the last 3 years, you may request that we consider this information when using your credit information. These **extraordinary life circumstances** include:

- a catastrophic illness or injury;
- divorce;
- death of a spouse, child or parent;
- involuntary loss of employment for more than three consecutive months;
- identity theft;
- total or other loss that makes your home uninhabitable; and
- any other circumstance an insurer may choose to recognize.

If you believe any of these extraordinary circumstances have impacted your credit, please contact us and let us know of your extraordinary circumstance(s).

We may require you to provide reasonable, independently verifiable written documentation of your extraordinary life circumstance and explain how it has negatively affected your credit report or credit history. We will keep confidential any documentation you provide to us.

You should also know that we **cannot** use the following credit-related information as part of our financial history measurement program:

- the number of credit inquiries in an applicant's or insured's credit report or credit history;
- the applicant's or insured's use of a particular type of credit card, debit card, or charge card;
- the applicant's or insured's total available line of credit;
- any disputed credit information while such dispute is under review by a credit reporting company, provided such information is identified in an applicant's or insured's credit report or credit history as being in dispute;
- collection accounts identified with a medical industry code in the applicant's or insured's credit report or credit history; and
- the applicant's or insured's lack of credit history, unless the insurer treats the applicant or insured as if such applicant or insured had neutral credit information, as defined by the insurer.