DIRECTDRIVE
FOCUS GROUP STUDY – PHASE II

DirectDrive is a free smart phone app designed to help motorists monitor and possibly improve their driving behaviors. The DirectDrive Focus Group Study - Phase I is a Beta Test that allows active Direct Auto Insurance policyholders to volunteer to "test drive" our new DirectDrive App. In Phase II - Direct Auto Insurance is also allowing up to 1,000 non-policyholders to participate for a limited time as set forth below provided they agree to comply with the terms and conditions for participation. Phase II will entail an approximately 20-week Test of the DirectDrive App as a viable, reliable tool to collect real-time data regarding customer driving habits (e.g. hard breaking, excessive acceleration, speed limit compliances, etc.) collection tool that may be leveraged for all appropriate business purposes by Direct Auto Insurance, including but not limited to potential rate, rule and/or form applications. Volunteers who participate in the study will be compensated based on how they use the application and the data collected, as follows.

1. Non-policyholder participants in Phase II will be given incentives to download the DirectDrive App, create an account (a quote will be required for participants who are not current policyholders in order to capture sufficient actuarial data such as age, gender, type of vehicle, etc.), and log drives. The first 100 non-policyholder participants who create an account and share a drive will receive a $20.00 gift card. Non-policy holder participants who comply with the applicable terms and conditions may be awarded up to $50.00 in cash or item similar value as well as the opportunity to participate in related events such as sweepstakes and contests when they share their DirectDrive experiences on social media (Twitter). Any sweepstakes or contest offerings will be subject to separate rules and requirements.

2. Participants will earn one cent per Quality Mile (defined below) driven and recorded within the DirectDrive app on the participant's Android or iPhone.

3. Quality Miles are determined as follows:

   a. Driving time is between 5:00 am and 10:59 pm
   b. No hard braking or excessive acceleration; and
   c. Speed does not exceed 79 miles per hour.

4. Participants may also receive additional compensation based on certain driving milestones they achieve. This additional compensation will vary from five cents to one dollar. The milestones are detailed in the Achievements section of the DirectDrive menu.

5. Compensation for participating in the Quality Mile portion of the study is capped at $10.00 per month, per policy or, in the case of non-policyholders per individual participating.

6. Policyholder participants can apply any amount of earned compensation to their existing Direct Auto account. Both policyholders and non-policyholder participants can request payment by check once the amount earned equals or exceeds $25.00.

7. The DirectDrive Beta Test ends December 31, 2016 unless terminated early by Direct Auto. Phase II may be extended for a reasonable period at the discretion of Direct Auto Insurance if its personnel determine it is necessary for adequate data collection. Participants will have an addition 30 days

beyond the termination date to apply their existing balance to their active auto policy or request a check if the amount equals or exceeds $25.00. Any remaining balance beyond that period will be forfeited by the participant.

In order to participate in the DirectDrive focus group, please acknowledge your consent below. Your participation in the TestDrive/Focus Group – Phase II is governed by the **Terms and Conditions.** Please note that the data collected through this program will be used for internal analysis to measure the performance of the DirectDrive app, whether the data demonstrates improvements in driving habits, and may be used to determine if additional or different features should be incorporated into the DirectDrive app. In all cases, use of the data obtained from your participation in the focus group shall be in accordance with Direct's **Privacy Policy.**