

Mendota

INSURANCE

Colorado

Value Policy (VP)
Underwriting Guidelines

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Customer Service

All endorsements are to be processed via MendotaMAX with a few exceptions, which are listed below:

- MendotaMAX will require a payment at the time of the endorsement for any additional premium due.
 - o The amount charged will be enough premium to provide coverage up to the next scheduled installment billing due-date.
 - If the additional premium is not paid/collected, the policy will be subject to cancellation in accordance with the Company's Rules and Guidelines.
- Return premiums will be reflected in the next scheduled installment invoice or will be returned via check if no additional installments are remaining.

Company must be notified of any policy endorsements within three (3) days of your notification from the named insured of any mid-term increase or decrease in exposure (i.e., addition of drivers, vehicles, etc.) to the policy.

The following requests must be submitted to the Company via e-mail or fax and are effective upon receipt:

- Reduction or elimination of coverage that requires a signed form.
- Deletion or exclusion of drivers.
- Cancellation of Policy – Named insured's signature with written request to cancel is required.

Claims Service

Please have your insured immediately report all accidents/losses directly to Mendota. Accidents/losses can be reported twenty-four (24) hours a day, seven (7) days a week.

In the event of an accident, policyholders will receive fast, expert advice from a member of our experienced Claims Department.

Claims can also be reported online at www.MyMendota.com

Contact Information

Mendota/Mendakota Insurance Company
3343 Perimeter Hill Dr., Suite 214
Nashville, TN 37211

Hours of Operation: 8:00A.M. – 6:00P.M. (CST)

Customer Service: 800-422-0792

Claims Reporting: 800-422-0793

Application Submission

Upload Procedures and Binding Authority:

- Qualifying risks may be bound at the time and date on which the application is completed in-full, signed, and the required deposit premium is paid by the insured.
- Agent binding authority is one (1) business day from the policy effective date. The application and required payment must be uploaded to the Company within twenty-four (24) hours of the policy effective date.
- The Company requires that you have the insured sign the application and any supplemental forms, using either the e-sign or hand signed option. Hand signed applications once completed must be uploaded via Mendota Max.
 - o Retain a copy for your Agency file.
- Effective dates prior to the date the application is signed and bound by the agent are not acceptable.
- No paper applications will be accepted. All policies must be uploaded via the Company's website.
- When a policy is successfully uploaded, immediate confirmation is provided, to include a policy number.
- Signed documentation should be kept on file in the agent's office. Documentation must be made available in the event of a claim and/or a Company Audit.
- Agents do not have the authority to bind the Company on Physical Damage Coverage mid-term on an existing policy unless an inspection is completed and appropriate documentation is kept in the agent's files. Any existing damage must be indicated on the change application.
- The agent or insured's bank account will be "swept" within one (1) to three (3) business days for the amount indicated on the application.
- Brokered business is not acceptable.
- Risk cannot be bound if it appears as unacceptable or ineligible per our program Guidelines.

Documentation Retention and Audit Requirements:

Proper documentation must be maintained in the agent's files and provided to the Company upon request.

For Proof-of-Prior (P.O.P.) documentation, use FAX: (866) 385-0553

The Company software will pre-determine which documents must be FAXED immediately. Other documents should be maintained in the agent's files and uploaded to the company as required.

Use the following as a guide for documentation:

- Documentation must be retained for a period of seven (7) years after the policy expiration period.
- If e-sign documents are not completed within three (3) days, policy will be cancelled by the Underwriting Department.
- Hand-sign applications should be uploaded via Company website.

If required forms are not received by the Company, the policy will be subject to uprate or cancellation of the policy.

Documents to be forwarded to Company and Retained in Agent Files

-Proof of Home/Condo Ownership

- HO Dec Page
- Real-estate tax information
- Mortgage Statement
- Print out from County Assessor Internet Site

-Proof of Prior Compliance with Colorado's FR Laws

- Renewal Notice
- Non-Renewal Notice
- Dec Page with Limits displayed
- Letter of Experience on Company Letterhead

-Signed UM/UIM Selection of Limits or Rejection

-Signed No-Prior/No-Need Form with proof

-Signed and Dated Application

- Proof of Insurance prior to leave for returning Military
- See Form for additional details

-Signed EFT Form

Periodic Audits will be conducted on random files by the Company. These Audits will either be done on-site by company representatives or requested to be sent to the Company. Documentation must be provided within two (2) business days of request.

Severe Weather Binding Authority:

No new Physical Damage Coverage, increase to existing Coverage, or decrease in current deductibles may be bound on any risk or exposure located in an area which a hurricane, tornado, severe weather watch or warning, or any other natural disaster alert has been communicated. Normal binding authority will resume after the watch and/or warning(s) have been lifted. Every vehicle written with Physical Damage Coverage within seventy-two (72) hours after the watch/warning(s) must be inspected to determine if there is any existing damage. The inspection and any damage must be listed on the application.

Material Misrepresentation of Risk:

Misrepresentation is Insurance Fraud. The Company expects all applicants to be truthful and fully complete the application for Insurance Coverage. If misrepresentation is discovered, the policy may be subject to rescission and/or cancellation by the Company.

A misrepresentation may also prevent recovery under the contract of policy if:

- The misrepresentation, omission, concealment, or incorrect statement is fraudulent or is material either to the Company accepting the risk or to the hazard we assume: or
- If the Company had known the true facts, the policy would not have been issued, a higher premium amount would have been charged, or the policy would not have been issued with the same coverages and/or limits.

Commissions

Please refer to the most recent commission schedule provided for your current commission level.

Policy Period

Six (6) and twelve (12) Month Policy Terms are available.

Payment Plans

Installment notices are sent directly to the insured. Please encourage your policyholders to use Electronic-Funds-Transfer (EFT) for payments.

Online payments can be made at www.MyMendota.com or mail payments to the address provided on the bill. Payments must be received by the due-date indicated on the bill. Any payments submitted to you by the insured directly must be uploaded via EFT to Mendota via www.mendota-insurance.com

The following payment options are available at new business: (Not all customers may qualify for every payment plan).

Policy Term	Down payment Percentage	Remaining # of Installments
6 or 12 month	100.00%	N/A
6-month	33.00%	4
6-month	25.00%	5
6-month	16.67%	5
12-month	25.00%	4
12-month	15.00%	10

Payment Options

Electronic Funds Transfer (EFT):

- Down payments and installments should be made to the Company via EFT to the agent or insured's bank account via the Company's website. The insured will be notified as to when the account will be "swept" for the payment and the amount will be transferred from their account. The policy can be paid in-full or by installments.

Online Payment:

- Policyholders can make online payments at www.MyMendota.com, they can also set up future EFT installments at this website as well.

Credit-Card Payment:

- The use of credit cards for payment of policy down payment or installment(s) is available. The Company accepts Visa, MasterCard, and Discover. Any non re-occurring payment via credit card will be assessed a \$5.00 vendor fee.

Paper-Bill:

Mail Payment to:

- Mendota Insurance Company, C/O FEDChex PO Box 17209, Irvine CA 92623

Fees

Paper Bill Installment Fee:

- A \$13.00 service charge will be applied to each payment plan installment. This is not be charged if the policy is paid-in-full or on the initial down payment.

Bank Transfer EFT Installment Fee:

- A \$8.00 service charge will be applied to each installment for all Checking and Savings ACH payments. This will not be charged on the initial down payment. This does not apply to Agent EFT payments.

Credit/Debit-Card Installment Fee:

- A \$8.00 service charge will be applied to each installment for all Credit and Debit-Card payments. This will not be charged on the initial down payment. Any non re-occurring payment via credit card will be assessed a \$5.00 vendor fee. This does not apply to Agent EFT payments.

Late-Fee:

- A \$10.00 fee will be charged if the installment payment is not received within three (3) days after the due-date.

Non-Sufficient Funds (NSF) Fee:

- Policies with payments returned to the Company for non-sufficient funds (NSF) will be charged a \$25.00 fee.

SR-22 Fee:

- The fee for each filing is \$25.00.

Reinstatement Fee:

- Policies reinstated without a lapse in coverage after cancellation for non-payment or expiration will result in a \$20.00 charge.

Rewrite / Renew with a Lapse Fee:

- Policies rewritten for non-payment or renewed with a lapse-in-coverage will result in a \$10.00 fee charge.

Policy-Fee:

- A \$20.00 Policy Fee will be added to every new and renewal six (6) month policy term issued.
- A \$40.00 Policy Fee will be added to every new and renewal twelve (12) month policy term issued.

Vendor Fee:

- A \$5.00 vendor fee will be charged for any non-re-occurring payment paid by credit card administered by the Company.

Eligibility Section

Acceptable Risks – New Business

Policy Eligibility:

- Permanent residency within the State of Colorado. (excluding Campgrounds, hotels/motels, etc.)
- All eligible vehicles must be garaged at one (1) garaging location.
- Short-term In-State residencies allowed
- P.O. Box garaging address is not acceptable.

Driver Eligibility:

- All licensed operators in the household.
- All other eligible regular operators of the vehicle (in household or not), permit holders, and all residents of the household age fifteen (15) and older.
- A valid U.S. Driver's License.
- Suspended/Expired U.S. Driver's License acceptable at Underwriting Department's discretion.
- Foreign/International Licenses / Matricula / Mexican Passport / Valid CO ID are acceptable, but will be surcharged.
- All drivers must be Colorado residents and no driver may live and/or work in Mexico.

Vehicle Eligibility:

- Vehicles must be private passenger automobiles owned or leased by an individual, husband and wife resident of the household, or jointly by two (2) or more resident relatives.
- Owned is defined as:
 - o Having legal title to the vehicle.
 - o Having legal possession subject to a written conditional sales agreement.
 - o Having legal possession of the vehicle under a lease-agreement of six (6) months or longer.

Unacceptable Risks – New Business

Ineligible Policies:

- Policy may not be financed through a premium finance company.
- Vehicles from more than one (1) household may not be listed on a single policy.
- Policy may not have an Estate, Receivership, Corporation, or Partnership as the named insured.
- Physical Damage only policies.
- Stated value Physical Damage.
- Policies with more than five (5) vehicles.
- Policies with three (3) or more At-Fault Accidents
- Policies with five (5) or more Not-At-Fault Accidents
- Policies with three (3) or more Major violations
- Policies which are submitted with an incomplete application.
- Policies that Underwriting have made requests for additional information and that information is not provided.
- Two (2) or more Mendota Policies within the same household are unacceptable, with the following exceptions:
 - o Children who own their own vehicle(s)

- Unrelated resident/roommate

Ineligible Operators:

- Named Insured who has never been licensed (spouse never licensed acceptable, but must be listed on the policy).
- Any operator with a revoked or cancelled driver's license.
- Any operator who has a violation for vehicle felony or insurance fraud.
- Unlicensed Operators
- Operators with more than eighteen (18) total violations (Major/Minor) and/or At-fault accidents
- Operators with more than eighteen (18) minor violations

Ineligible Vehicles:

- Vehicles that have limited production or unique construction.
- Vehicles that are exotic or specialty.
- Vehicles with prior damage that may affect their safe operation.
- Vehicles used for racing, modified, or customized for the purpose of participating in any type of competition, show, speed, sound, timed event, etc.
- Vehicles with modified suspensions which jump, rock, or bounce.
- Vehicles with suspensions modified with lift kits greater than four (4) inches.
- Vehicles manufactured for sale outside of the United States (grey market vehicles).
- Vehicles used for pick-up or delivery of goods, Uber/Lyft or other transportation networks, limousine or taxi service, any vehicle for hire, and emergency service. This includes transporting nursery school or school children, migrant workers, hotel/motel guests or entertainers and/or equipment.
- Vehicles used for any commercial usage
- Vehicles equipped with cooking equipment or bathrooms.
- Vehicles equipped for snow plowing.
- Vehicles not titled in Colorado or garaged outside of Colorado for more than two (2) months per year.
- Vehicles classified as kit cars, aluminum, or stainless steel cars, exotic vehicles, hot rods, assembled from kits, rebuilt, substantially modified to change appearance or performance, or structurally altered.
- Flat bed, stake or modified trucks, step-vans, panel-vans, cutaway-vans, motor homes, or converted buses.
- Vehicles which are regularly made available for non-listed drivers.
- Vehicles leased or rented to other operators by the applicant.
- Vehicles with a load-capacity greater than one (1) ton or gross-vehicle-weight greater than 12,000 pounds.
- Vehicles with less than four (4) wheels.
- Salvaged vehicles (these may be written for liability coverage only)
- Vehicles not found in the Company defined symbol pages as eligible, except for newly released vehicles from major manufacturers.
- Vehicles over twenty five (25)+ years with physical damage coverage at new business.
- Vehicles with a ACV over \$60,000

Business / Artisan Use Guidelines

- The following are acceptable Business / Artisan risks: If the business use consists solely of carrying tools and supplies between the insured's residence and a job site, an **Artisan Risk** is acceptable if **ALL** of the following apply:
 - The vehicle is individually owned; and
 - The vehicle is operated solely by the named insured and covered family members; and
 - The named insured has no more than one (1) vehicle in this category; and
 - The vehicle visits no more than three (3) job sites per day; and
 - The vehicle has no visible signs or business logos; and
 - The vehicle is not used to transport heavy equipment; and
 - The vehicle is not used to transport explosives, chemicals, or flammable materials; and

- The vehicle has no visible ladders on it.
- The vehicle is not used for any landscaping.
- The vehicle is not used for any type of delivery service.
- The vehicle is not used for Lyft or Uber service or any other rideshare service platform.
 - The following are also acceptable Business / Artisan risks:
 - Vehicles used by sales or service representatives, or former consumer oriented direct home sales on a full-time basis.
 - Vehicles used for mail delivery.
 - Vehicles used by real-estate, or insurance agents, lawyers, doctors, accountants, or other professionals visiting multiple locations.
 - Vehicles owned by the insured and used by domestic employees.
 - Vehicles used in a business for occasional errands.
- Any vehicle with Commercial issued License Plates is unacceptable.

Underwriting Eligibility

Policies may be assigned to an Underwriting Tier based upon the following:

- **Prior compliance with Colorado's Financial Responsibility Laws**
 - Prior compliance with the State's Financial Responsibility Laws for tier placement purposes means that the named insured has proof-of-prior (P.O.P) private passenger automobile Liability Insurance that covered the named insured and/or rated spouse for a continuous six (6) month period with no more than a thirty (30) day lapse in coverage.
 - Prior Insurance Status considers:
 - Whether there was private passenger automobile liability insurance covering the primary named insured or rated spouse which provided continuous coverage for the six (6) months immediately preceding the inception of the policy.
 - Whether there was a lapse in coverage of one (1) to thirty (30) days, or thirty one (31) days or more prior to the inception of the policy, and;
 - Whether the prior private passenger automobile liability insurance Bodily Injury limits were written at the statutory minimum or greater.
 - Note: Proof of Private Passenger Automobile Liability Insurance from either Mendota or Mendakota Insurance Companies is unacceptable, unless the following conditions are met:
 - The named insured is moving to a new State.
 - The insured is listed on another Mendota/Mendakota policy for at least a continuous six (6) month period and the policy is currently in-force. (i.e., A child from a parent's policy or parent from a child's policy.)

Zip-Code Rating

Rates are determined by zip-code. Use the zip-code in which the vehicle(s) is principally garaged.

- P.O. Boxes are not acceptable as garaging addresses.

Vehicle Symbols

For rating purposes, every vehicle is assigned the Company's own Make/Model/Style Symbol. This symbol applies to Bodily Injury, Property Damage, Medical Payments, Uninsured Motorist Property Damage, Comprehensive, and Collision Coverages.

For Named Operator Policies (Named Non-Owner), Make/Model/Style Symbol "666666" is assigned.

Driver / Vehicle Assignment

- Drivers are not assigned to vehicles.
- An average rating factor is determined for rated drivers and then that factor is applied to all vehicles listed on the policy.
- If there are more drivers than vehicles on the policy, the highest rated drivers (up to the number of vehicles on the policy) are used.

Coverage Options

- **Policy Minimums**
 - o All private passenger automobile policies are required to have Bodily Injury Liability and Property Damage Liability Coverage at the State required minimum limits.
 - o Bodily Injury Liability, Property Damage Liability, Medical Payments, Uninsured Motorist Property Damage, Towing and Labor Costs, and Rental Reimbursement limits must be the same on all listed vehicles on a policy.
 - o Uninsured / Underinsured Motorists Coverage is offered at a policy level only.
- **Bodily Injury Liability (BI)**
 - o Available limits are provided in the Limits and Deductibles section.
- **Property Damage Liability (PD)**
 - o Property Damage limits can only be written when BI coverage is provided.
- **Uninsured / Underinsured Motorists Liability and Uninsured Motorists Property Damage Liability Coverage (UM/UIM) and (UMPD)**
 - o Can only be written on policies providing Bodily Injury / Property Damage Liability Coverages.
 - o Cannot exceed the limits of Bodily Injury and Property Damage Liability.
 - o Uninsured Motorists Property Damage Liability is not valid for vehicles with Collision Coverage
 - o Coverage rejection and lower limits:
 - If an insured wishes to reject or purchase lower limits of UM/UIM, the insured must sign the appropriate Election of Limits or Rejection Coverage Form.
 - If the Rejection Form is not signed, coverage will be added at minimum limits to the policy.
 - If UMPD Liability Coverage is elected, the Company will require this form to be signed to confirm the offer and select a deductible option.
- **Medical Payments Coverage (MED)**
 - o This is an optional coverage and can only be added when Liability Coverage is provided.
- **Comprehensive Coverage (COMP)**
 - o Must be written with a deductible.
- **Collision Coverage (COLL)**
 - o Must be written with a deductible.
 - o Cannot be written on any vehicle with UMPD Coverage.
- **Rental Reimbursement (RENT)**
 - o Cannot be written without COMP and COLL Coverages.

- **Towing and Labor Costs Coverage Reimbursement (TOW)**
 - o Cannot be written without COMP and COLL Coverages.

- **Custom Equipment (CSEQ)**
 - o Cannot be written without both COMP and COLL Coverages.
 - o Coverage Specifications:
 - Provides physical damage coverage for custom parts or equipment, devices, and accessories.
 - This includes any equipment, other than electronic equipment, that is not provided by the original manufacturer or new car dealer, but which is permanently installed.
 - o Examples include, but are not limited to: (ground effects; after-market lights; spoilers; carbon fiber panels or hoods; hydraulic lifts; custom exhaust equipment; aluminum, magnesium, chrome or alloy wheels; special or wide tires or slicks; sun-roofs; moon-roofs; t-bar roofs; height extending roofs; bubble domes or windows; refrigeration; cooking equipment; furnishings; equipment used for sleeping; custom paint; murals; decals; graphics; and special carpeting.
 - o All items covered under CSEQ coverage must be;
 - Described/listed on the application.
 - Permanently installed on the vehicle.

- No coverage will be provided to items not listed on the application.
- Equipment designed to be removed (i.e., nose cover, magnetic antenna, etc.) is not eligible for this coverage.
- See Limits and Deductibles Section for available coverage options.

- **Electronic Equipment (ELEQ)**
 - o Cannot be written without both COMP and COLL Coverages.
 - o Coverage Specifications:
 - Provides physical damage coverage for electronic equipment, devices, and accessories.
 - This includes any equipment, other than custom equipment, that is not provided by the original manufacturer or new car dealer, but which is permanently installed.
 - o Examples include, but are not limited to: radios; stereos; tape decks; compact disk systems; MP3 devices; any other sound system; navigation systems; internet access systems; personal computers; DVD devices; VCRs; cameras; telephones; microphones; televisions; two-way mobile radios; scanners; or citizen-band radios and their accessories.
 - o All items covered under ELEQ must be;
 - Described in the application.
 - Must be permanently installed on the vehicle.

- No coverage will be provided to items not listed on the application.
- Equipment designed to be removed (pullout stereos, etc.) is not eligible for this coverage.
- See Limits and Deductibles Section for available coverage options.

- **Named Operator Policy (Non-Owner)**
 - o Provide Liability Protection (BI/PD, MED, UMBI) Coverage for an individual who does not own a vehicle nor have access to any personal use vehicles on a regular basis.
 - o Coverage is provided to named insured only, there is no coverage provided for spouses or permissive users.
 - o Coverage not available if the insured operates a vehicle used for business or artisan use.

- **Value Plus Liability Coverage Endorsement**
 - o Expands liability coverage by providing additional coverage features such as;
 - Increases notification time up to fourteen (14) days for both additional acquired vehicles and replacement vehicles;
 - Eliminates the step-down limits feature to State minimum FR limits for other than family members;
 - Extends the limit of liability for legal liability to the lessor to 100/300/50 (applies to lessor only);
 - Eliminates the step-down limits feature to State minimum FR limits for any insured involved in DWI or DUI accident.

- **Value Plus Physical Damage Endorsement**
 - o Expands physical damage coverage by providing additional coverage features such as;
 - Increases notification time up to fourteen (14) days for both additional acquired vehicles and replacement vehicles;
 - Automatic excess coverage for a non-owned rental vehicle rented for less than thirty (30) days by you or a family member;
 - Includes up to \$1,000 of coverage for either CSEQ;
 - Use of new OEM parts on vehicles up to five (5) model years old;
 - Eliminates the deductible on windshield claim;
 - Increases the maximum storage limit to \$750 for any one loss;
 - Eliminates the deductible for a total theft loss if On-Star or any other Vehicle Recovery System aids in the recovery of the vehicle.

Limits and Deductibles

- Liability Coverage

Bodily Injury (BI) (\$000)	Property Damage (PD) (\$000)	Medical Payments (MED)	Uninsured Motorist Property Damage*
25/50	15	5,000	
50/100	25		\$250 Deductible
	50		\$500 Deductible
			\$1000 Deductible
			*Actual Cash value limit with a deductible

Uninsured / Underinsured Motorists (UM) (\$000)
25/50
50/100

- Physical Damage Coverage

Comprehensive (Deductible)	Collision (Deductible)	Custom Equipment	Electronic Equipment	Rental Reimbursement	Towing and Labor
		250	250	\$30 Per Day \$900 Maximum Limit	\$50 Per Disablement

250	250	500	500		
500	500	750	750	\$40 Per Day \$1200 Maximum limit	\$75 Per Disablement
1000	1000	1000	1000		
		1250	1250		
		1500	1500		
		1750	1750		
		2000	2000		
		2250	2250		
		2500	2500		
		2750	2750		
		3000	3000		
		3250	3250		
		3500	3500		
		3750	3750		
		4000	4000		
		4250	4250		
		4500	4500		
		4750	4750		
		5000	5000		

Policy Discounts

- The following discounts vary by coverage, underwriting tier, and by combination of other policy discounts.
 - o **Homeowners**
 - Named insured must own a home, condo or mobile home.
 - Must be their primary residence.
 - All insured vehicles must be garaged at this location.
 - o **Multi-Car**
 - Two (2) or more vehicles on the policy with have BI and PD Coverage at a minimum.
 - o **Paid-in-Full**
 - Applied on new business when the company receives the full quoted premium amount with the completed application.
 - Applied on renewal business provided the full renewal premium is received prior the renewal effective date.

Driver Discounts

- **Accident Prevention Course Discount**
 - o Rated operators with a valid driver's license age 55 or older who have successfully completed a motor vehicle accident prevention course which has been approved by the State, and adheres to the following;

- The course cannot be self-instructed.
 - The discount does not apply if the driver-training course was taken as a result of a court order resulting from a moving traffic conviction.
 - Such course must be completed within the most recent thirty six (36) months certifying successful completion of the course.
 - If proof of successful completion of such course is submitted during the term of the policy, any premium modification shall become effective upon the next renewal.
 - The discount is applicable for a thirty six (36) month period following the course completion date.
- To continue eligibility for this discount, the rated operator must enroll in and successfully complete the approved driver accident prevention course once every three (3) years at the time of the policy renewal.

Vehicle Surcharges

- **Business / Artisan Use**
 - Must qualify per eligible vehicle and Artisan Risk guidelines:
 - Applied to any private passenger auto used in or for business, and which qualifies for our program per our eligibility guidelines
 - Applied to any Pick-ups, Vans, and SUVs that qualify for our program per our eligible vehicle guidelines based on the definition of Artisan Risk
- **Ineligible Vehicle**
 - If a vehicle is added to the policy mid-term that is an ineligible risk per our underwriting vehicle guidelines or an ineligible make or model based upon New Business Vehicle Eligibility, this surcharge will be applied.

Driver Surcharges

- **Ineligible Operator**
 - If an operator is added to a policy mid-term that does not meet the New Business Driver Eligibility, this surcharge will be applied at the time of change; if the policy has been in effect less than sixty (60) days, otherwise the surcharge will be applied at renewal.
 -
- **Inexperienced Operator**
 - Any operator age nineteen (19) or older that has not been licensed for the previous thirty five (35) month experience period will receive this surcharge.
- **Unverifiable MVR**
 - Surcharge applied if an operator does not have a verifiable MVR record for the previous thirty five (35) month experience period.
 - Surcharge does not apply if the policy is being charged an inexperienced operator or foreign license surcharge.
- **Foreign License**
 - If an operator does not have a U.S. driver's license, but does has a foreign, Matricula, International driver's license, Valid CO ID or Mexico Passport this surcharge will be added.

Driver Record

- **Experience Period and Chargeability**
 - o The experience period for use in determining Driving Record is thirty five (35) months preceding the effective date of the new or renewal policy.
 - o To determine if the accident or violation took place within the chargeable period, use the conviction date rather than the occurrence date.
 - o Out-of-State violations and accidents are chargeable.
 - o Forfeitures of bail or nolo contendere pleas shall be treated as convictions.
 - o No more than eighteen (18) total violations (Major and Minor) / At-Fault Accidents per driver is permitted.
 - o No more than four (4) Not-At-Fault Accidents per Policy will be permitted.

- **At-Fault Index**
 - o Considers the number and timing of at-fault accidents that occurred during the experience period involving each individual driver while operating a private passenger auto, motorcycle, or recreational vehicle.
 - o Accidents caused by the driver swerving to avoid an object and colliding with another object are considered at-fault.
 - o Accidents noted on the MVR or application will be assumed to be at-fault unless proof (police report, letter from prior carrier or proof of payment by other company) is received to verify insured was not at-fault.
 - o No more than two (2) At-Fault Accidents per Policy will be permitted.

- **Number of Major Violations**
 - o Those that occurred during the experience period involving each individual driver while operating a private passenger auto, motorcycle, or recreational vehicle.
 - o Refer to Violation Classifications table for list of Major Violations.
 - o No more than two (2) Major Violations per Policy will be permitted.

- **Number of Minor Violations**
 - o Those that occurred during the experience period involving each individual driver while operating a private passenger auto, motorcycle, or recreational vehicle.
 - o Refer to Violation Classifications table for list of Minor Violations.
 - o No more than eighteen (18) Minor Violations per driver will be permitted.

Violation Classifications Table:

Major Violations
Driving While Driver's License is Suspended, Canceled or Revoked
Driving While under the Influence of Alcohol/Drugs. (This includes open bottle violations.)

Felony or Gross Misdemeanor
Fleeing or Eluding Police
Hit and Run / Fleeing the Scene of an Accident
Homicide, Manslaughter, or Assault with a Motor Vehicle
Operating without Owners Consent
Racing / Drag Racing
Reckless Driving
Minor Violations
Careless Driving
School Bus Violations
Speeding
Minor Violations including Moving Traffic Violations such as, but not limited to: Following too close, Driving on Wrong Side of Road, Failure to Yield, etc.
Accidents
At-Fault Accidents involving Bodily Injury or Property Damage totaling greater than \$1000

- **Exceptions (Equipment Violations and Not-At-Fault Accidents)**
 - o Equipment Violations are not considered a minor nor major violation and will not be included in rating of the policy.
 - o Accidents occurring under the following circumstances are not considered at-fault:
 - The vehicle involved in the accident was legally parked at the time of the accident.
 - If the parked vehicle rolls from the parked position, then, any such accident is charged to the person who parked the vehicle.
 - The vehicle involved in the accident was struck in the rear by another vehicle and the applicant was not convicted of a moving traffic violation in connection with this accident.
 - The vehicle operated by the applicant or any resident operator is struck by a “hit-and-run” vehicle and the applicant reported the accident to the police within twenty-four (24) hours of discovering the accident.
 - The applicant was not convicted of a moving traffic violation in connection with the accident, and the operator of the other vehicle was convicted of a moving traffic violation.
 - Accidents involving Physical Damage limited to and caused by flying gravel, missiles, falling objects, or by contact with animals or fowl.
 - The applicant is not at-fault as evidenced by a written statement from the insured establishing facts demonstrating lack of fault which are not rebutted by information in the insured’s file from which the insurer in good faith determines that the insured was substantially at-fault.
 - The applicant, owner, or other resident operator reimbursed by, or on-behalf of, a person who is responsible for the accident, or has judgment against such person.
 - Accidents occurring when using vehicle in response to an emergency, if the operator of the vehicle at the time of the accident was a paid or volunteer member of any Police or Fire Department, First Aid Squad, or any law enforcement agency.
 - This exception does not include an accident occurring after the auto ceases to be used in response to such emergency; or the applicant, owner, or other resident

operator receives payment under Personal Injury Protection where such an individual is not-at-fault.

Cancellations, Reinstatements, Balances & Changes

- **Flat Cancellations**
 - o Not permitted after policy inception with the exception of non-sufficient funds (NSF) payments.
 - o Policies with initial down-payments returned for NSF will be voided at inception and no coverage provided.
 - o Policies with the renewal down payment returned for NSF will be cancelled flat back to expiration date and no coverage exists

- **Total Loss**
 - o Coverage will be canceled effective one (1) day after the loss, if proof of the total loss is submitted to the Company.
 - o If proof of total loss is not submitted to the Company, the policy will be cancelled if requested by the named insured.
 - The effective date will be the request date (if received within the required seventy-two (72) hours) or it will be processed the date we receive it.

- **Cancellation Requests by Named Insured**
 - o Must be in writing and must include the named insured's signature.
 - o If requested by the named insured, the effective date of the cancellation will be the later of the day received by us or the insured's requested date.
 - o If a loss payee is listed on the policy, a ten (10) day notice of cancellation will be sent to the loss payee.
 - The cancellation date will be effective at the end of the loss payee's notification period.

- **Calculation of Earned Premium**
 - o Calculated based upon the reason for policy cancellation.
 - o Calculation methods listed below:
 - Insured's request: pro-rata
 - Non-Payment of Premium: pro-rata
 - Company Cancel: pro-rata

- **Rewrite/Reinstatement of Cancelled Policies**
 - o Policies with any lapse in coverage mid-term require a rewrite application and down-payment.
 - A new policy number will be assigned and a new effective date as indicated on the application.
 - A rewrite/reinstatement fee will assessed on these policies.
 - o Policies receiving a cancellation for non-payment notice will continue in-force if full payment of money due is received on or before the effective date of cancellation; otherwise, a new application and down payment is required.

- **Mid-Term Reinstatement of Cancelled Policies**
 - o Under certain circumstances, the company allows reinstatement of eligible Personal Auto Policies after mid-policy period cancellation due to non-payment of premium.

 - o To be eligible for reinstatement, the policy must be within ten (10) days of the cancellation date and meet a number of additional criteria, which includes the completion of our statement of no loss form.

- **Mendota^{MAX}** will indicate when a policy may be eligible for reinstatement, and will direct you on how to proceed.
- **Checks not honored by a Financial Institution**
 - New Business and Renewals
 - Policies with down-payment checks returned for insufficient funds will be voided at inception and no coverage provided.
 - Policies with the renewal down payment returned for NSF will be cancelled flat back to expiration date and no coverage exists
 - In-Force Business
 - Payments returned to the company for non-sufficient-funds (NSF) will be charged a \$25.00 NSF fee.
 - To keep coverage in-force, replacement of the dishonored check including any NSF Fee, by certified funds (i.e., money order, cashier check, etc.) must be received prior to the cancellation date specified on the notice.
 - If payment is not received within the requested date/time, the policy will cancel and the insured must re-apply for a new policy.
 - If a pending cancellation has been issued on a policy and the check is not honored by a financial institution, the policy will cancel based upon the cancellation effective date of the original cancel notice.
 - If a pending NSF cancellation has been issued on a policy and a replacement payment is received and that replacement check is not honored by a financial institution, the policy will cancel based upon the cancellation effective date of the original cancel notice.
- **Excess and Outstanding Balances**
 - The company reserves the right to waive excess or outstanding balances of \$5.00 or less, except that the actual return premium shall be allowed at the insured's request.

Changes and Endorsements

- Endorsement requests will be effective as requested provided received date is within three (3) business days.
- Requests received after three (3) business days from the requested effective date will be adjusted to 12:01a.m. the date we receive it, unless prior underwriting approval was received.
- Premium adjustments, as a result of endorsement activity, shall be calculated pro-rata and billed in future installments. If all payments have been received, premium adjustments will be billed or credited directly to the insured. MendotaMAX will require a payment at the time of the endorsement for any additional premium due.
- All premium adjustments reflect rates and rules in-force at time of policy inception.
- Premium adjustments are made as a result of changes in garaging zip code, vehicles, drivers, and coverages.
- Adjustments are not made mid-term for attained driver age or the addition of chargeable violations.
- Reduction or Rejection of any Uninsured/Underinsured Motorist Liability Coverage requires the signature of the named insured on a completed Uninsured/Underinsured Motorists Election Limits or Rejection Coverage Form. These changes will be effective no earlier than the postmark date of the request.

Changes to BI or PD Coverage Limits will also cause a corresponding change in related UM/UIM Coverage Limits unless a new Selection/Rejection Form is received.

UMPD Coverage can be chosen with a deductible, but must have a signed election of coverage form.

Renewals

- **Renewal Offers**
 - o The renewal payment must be received on or before the effective date of the renewal or the policy will expire and no further coverage will be provided.
 - o A courtesy expiration notice will be mailed confirming that the policy has expired.
- **Renewal Reinstatements**
 - o If the renewal premium is received by the company within thirty (30) days after the expiration date, the policy may be reinstated (if acceptable) effective 12:01 a.m. the date payment is received, with a lapse in coverage.
 - o A policy that has been expired more than thirty (30) days cannot be reinstated and must be treated as new business.
 - o A reinstatement fee will be assessed.
- **Renewal Rating**
 - o Policies will be re-rated in accordance at each renewal.
- **Rate-Capping**
 - o The company will cap renewal premium increases at fifteen (15%) prior to the application of additional driver points.

Renewal Underwriting

- The Underwriting Tier is re-evaluated at each renewal based upon the current Underwriting Guidelines.
- The prior-insurance information is determined at policy inception and will remain for the life of the policy, provided the renewal payment is paid within thirty (30) days of the expiration date.
- In the event of a lapse at renewal, the company will re-calculate the prior insurance status if the policy was previously issued with zero (0) days lapse in coverage.
- Prior limits are not re-evaluated at renewal.

Suspension of Coverage

Suspension of Coverage is not permitted under any situation.

Named Driver Exclusion

- **A specific named driver may be excluded from all coverage provided by a new policy:**
 - o The named insured must sign the exclusion endorsement specified in the State Forms list to exclude the specifically named operator(s) from eligible coverages.
 - o This exclusion will apply to the new business policy term and all subsequent renewals and may only be superseded by an endorsement request to add the excluded person(s) to the policy as a driver.
- **To exclude a specific named driver during the policy term:**
 - o Submit a properly completed and signed endorsement showing the effective date of the change and observing proper binding rules.
 - o An amended Dec Page will be issued.

- The exclusion endorsement will only be superseded by a request to add the excluded person(s) to the policy as a driver.
- **Any resident age fifteen (15) and older that is not listed on the policy dec page as covered, must be excluded.**
- **The following restrictions apply:**
 - The company will not write two (2) policies in a household with different coverage limits.
 - An SR-22 filing will not be made on an excluded driver.
 - 1st Named insured(s) may not be excluded, though spouse or second named insured's can be excluded for reasons of:
 - Suspended or revoked license;
 - Unlicensed or never been licensed;
 - Spouses who are legally separated;
 - Spouses who have other insurance (proof required).

Financial Responsibility Filings

- SR-22 Filings may be made for any named insured or resident operator if required, provided that;
 - The driver is not excluded from the policy
 - Must have liability limits which satisfy the State Financial Responsibility requirements.
 - Must have a verifiable driving record.
 - SR22 allowed with Mexican Driver License if a valid number is provided
- The company will issue an SR-26 cancellation upon lapse or expiration of the policy.
- The fee for each filing is \$25.00, which is fully earned and non-refundable in the event of policy cancellation.