Bluefire Insurance Services

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CALIFORNIA PRIVATE PASSENGER AUTOMOBILE PROGRAM
Restricted Non-Standard Auto Policy

Underwritten by:
NATIONS INSURANCE COMPANY

UNDERWRITING GUIDELINES

Effective 01/01/2026

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ACCEPTABLE APPLICATIONS

DO NOT BACKDATE COVERAGE.

We reserve the right to make final underwriting decisions regarding the acceptability of risks, limits of coverage and deductibles.

Producers have no binding authority. Provisional binding authority will be recognized based upon the following conditions being met.

Applications for new business must be transmitted by the Producer to the Company via a <Program Administrator> approved electronic application upload. If you are unable to transmit via one of the approved electronic uploads, a copy of the complete application and all required documentation must be faxed immediately to <Program Administrator>. Every question on the application must be answered (and explained where called for), the application must be properly signed by the Applicant and Producer, the required premium must be collected, and the risk must be acceptable according to all underwriting rules. The individual who signs the application must be the Applicant /Named Insured.

The Named Insured must be 18 years of age or older. The Named Insured must be an individual; policies with estates, receiverships, corporations, partnerships as the Named Insured are not acceptable.

A new application will not be accepted for any former policyholder who has an unpaid balance due <Program Administrator>, unless it is paid with the submission of the new application.

The completed, signed application and the following required supporting documentation must be submitted to <Program Administrator>, via electronic upload or postmarked within three (3) days from the date of the electronic upload of the application, as required. Documentation needed for applications written with a future effective date must be uploaded via our website at <Program Administrator's Website> or postmarked prior to the requested effective date. <Program Administrator> has the right to review and the producer has an obligation to have all documents available for review, including but not limited to the following:

1. The insured's name and address, including the insured vehicle(s) garaging address. The garaging address must not be a P.O. Box.
2. The required down payment or full payment.
3. For each vehicle, the full description of the vehicle including year of manufacture, make, model and the complete vehicle identification number (V.I.N.)
4. Information for all drivers, including their correct driver's license numbers, loss history and current MVR. All household residents age 15 or older and any persons (including all children whether living with insured or not) that ever drive the cars must be listed as a driver or excluded from coverage on the application.
5. All waivers and exclusions signed, as required
6. Coverage limits and deductibles clearly identified
7. Producer's name, address, and producer code.
8. Photos for all vehicles with physical damage coverage. The photos must be submitted to the Company. (See "VEHICLE INSPECTION" section for details).
9. Appropriate proof of all applicable discount(s) eligibility and proof of non-fault or no-injury for all accidents.

***For producers that are set up for "Document Retention", only the following items must be submitted to <Program Administrator> concurrent with the submission of the application, as per the instructions above**

(however, all items noted above, even if not required to be submitted to <Program Administrator> must be kept on file in the Producer's office and available for review at any time by <Program Administrator>):

1. Motor Vehicle records (MVR's)
2. Photos, if required (See "VEHICLE INSPECTIONS" section for details.)

CANCELLATIONS / NON-RENEWALS

<Program Administrator> will determine the effective date of cancellation or non-renewal and send any required notice to the insured and any third party interest, as required.

FLAT CANCELLATION / RESCISSIONS

Not permitted except under the following circumstances:
The insured's down payment made to the producer or <Program Administrator> is not honored by the financial institution upon which it is drawn. If applicant's down payment is returned for any reason by the financial institution upon which it is drawn, the policy will be rescinded and no coverage will have ever been afforded. No opportunity will be offered for replacement of the unpaid funds. If the insured's down-payment was received and deposited by the producer, a request to rescind must be faxed to <Program Administrator> along with a copy of the dishonored check (front and back) or documentation of a refused/ rejected/ disputed/ declined credit card payment. The fax requesting the rescission and the supporting documentation must be submitted to <Program Administrator> within 20 days of the policy effective date. Replacement funds collected are to be used to rewrite the policy with a new effective date. Under no circumstances are funds to be collected by the producer with the understanding that the insured's rescinded policy will be "reinstated".

In addition, misrepresentation by the insured on the application for insurance or on any documentation submitted to the Company may result in rescission of the insurance contract.

NON-PAYMENT OF PREMIUM

If the insured fails to pay their installment prior to the due date, <Program Administrator> will mail a notice of cancellation that provides at least 10 days notice. A policy canceled for Non-Payment of Premium will be subject to a fully-earned short- rate Cancellation Fee (See "FEES" section). In addition, any and all fully earned fees will be due. Payments made with invalid instruments or otherwise insufficient will be considered as null and void. Subsequently, any pending reinstatement will revert back to the previously noted cancellation date.

Other reasons a policy may be canceled for non-payment of premium to the Company (reasons other than the insured did not make their installment payment) include; the tendering of a short payment or failure to pay an additional premium when due. <Program Administrator> may issue a "Notice of Intent to Cancel for Non-Payment of Premium". Reinstatement may be considered if the premium due is paid prior to the cancellation date.

COMPANY REQUEST

If the Company cancels the policy, the earned and/or return premium will be calculated on a pro-rata basis. <Program Administrator> will mail a notice of cancellation that provides at least 20 days notice. The reinstatement of a policy canceled for underwriting reasons may be considered only if the reason for cancellation is 1) remedied by requested additional information and or documents being furnished to

<Program Administrator>; and 2) the required information and/or documents are provided prior to the cancellation date; and 3) all monies due at that time of reinstatement are paid.

INSURED'S REQUEST

A policy canceled per the insured's request will be subject to a fully-earned short-rate Cancellation Fee (See "FEES" section). All requests must be made in writing to the Company and must be signed by the Named Insured. Insured's requests may be mailed or faxed to <Program Administrator>. Cancellation will be effective no sooner than the day after the fax was sent to <Program Administrator> or the postmark date on the envelope that contained the request. In the case of the insured's death, either the insured's spouse, executor or person granted power of attorney to execute the insured's affairs may request cancellation of the policy. A copy of the death certificate and if the requestor is not the insured's spouse, evidence of legal right to transact the deceased insured's affairs must accompany the request.

Exceptions:

1. In the case of ***duplicate coverage***, earned and/ or return premium will be calculated on a pro-rata basis, based on our percentage of risk. <Program Administrator> must receive the insured's signed request and a copy of the Declarations Page from the issuing carrier. The submitted Declarations Page must indicate concurrent coverage and show the same vehicle(s) and coverage as the Nations Insurance Company policy. The cancellation request for duplicate coverage must be received within 30 days of the <Program Administrator> policy effective date. All fees are fully earned.
2. Cancellation because of a ***total loss*** will be done only upon the receipt of the insured's request and will be processed effective the day after the loss, but only if the request is received within 30 days of the loss date. Otherwise, they will be processed as of the date received by the Company.
3. When an insured has ***moved out of state***, we offer prorated cancellation in these cases.
4. Cancellations for policies not accepted by the insured because of producer or Company error will have the earned and/or return premium calculated on a pro-rata basis

CLAIMS

Insured's are to be instructed to report their claims by calling the phone numbers listed below. The direct reporting of claims speeds up the claim adjustment process and allows for the collection of more accurate information when communication is received directly by the insured, claimant, or attorney.

Toll Free Claims Number: (800) 292-1511 **Fax Number: (562) 865-2800**

CONTACT US

Mail all correspondence and premium payments to:
<Program Administrator>
<Address>
<Address>

Phone Number: (XXX) XXX-XXXX **Fax Number: (XXX) XXX-XXXX**

COVERAGES OFFERED

COVERAGE	LIMITS
Bodily Injury Liability* When Requested, Bodily Injury Liability (BI) must be written on all vehicles.	**$15,000 / $30,000** **$30,000 / $60,000** (Per Person / Per Accident)
Property Damage Liability** When BI is written, Property Damage Liability (PD) must be written on all vehicles.	**$5,000** **$10,000** **$15,000** (Per Accident)
Medical Payments Medical Payments coverage may be written on autos covered for liability.	**$500** (Per Person / Per Accident)
Uninsured Motorists Bodily Injury* Uninsured Motorists Bodily Injury (UMBI) will be written on all autos covered for liability unless rejected in writing by the Named Insured. If elected, UMBI coverage must be on all covered autos. UMBI can only be written on policies providing BI coverage.	**$15,000 / $30,000** **$30,000 / $60,000** (Per Person / Per Accident)
Uninsured Motorists Property Damage Uninsured Motorists Property Damage (UMPD) will be written on all autos covered for UMBI (that do not have Collision coverage) unless rejected in writing by the Named Insured. UMPD can only be written on policies providing UMBI coverage. If elected, UMPD and/or CDW coverage must be on all covered autos, as applicable.	**$3,500** (Per Accident)
Accidental Death and Dismemberment (AD&D) An optional supplemental benefit is available to the named insured only for death or dismemberment which results from an automobile accident. May only be written with liability coverage.	**$10,000** (Per Named Insured, Per Accident)
Collision Deductible Waiver Collision deductible Waiver (CDW) will be written on all autos covered for UMBI (that have Collision coverage) unless rejected in writing by the Named Insured. CDW can only be written on policies providing UMBI coverage. If elected, UMPD and/or CDW coverage must be on all covered autos, as applicable.	**Deductible Amount**
Rental Reimbursement May only be written on autos with Comprehensive / OTC and Collision (Physical Damage) coverage. If elected, coverage must be written on all covered autos with Physical Damage coverage.	**$20 / $400** (Per Day / Max per Occurrence)

Comprehensive (Other than Collision) and Collision	**DEDUCTIBLES***
These coverages are optional. Deductibles do not have to match. The producer must inspect all vehicles with Comprehensive and Collision coverage and photos must be taken. See "VEHICLE INSPECTIONS" section for more information. ***Please note that regardless of the deductible option selected, the following deductibles shall apply to the lienholder's interest, as applicable: $250/$250***	**$500** **$1,000** **$2,000**

<u>Additional Equipment</u>

May only be written on autos with Comprehensive / OTC and Collision (Physical Damage) coverage. Coverage is provided at an additional cost for non-standard equipment items and may only be written for a value up to $500. All equipment must be permanently attached to the vehicle. Coverage is excluded for the following unless coverage is requested and a premium charged: awnings, cabanas, camper shells, and custom enclosures for pickup trucks, chrome, alloy or magnesium wheels; citizens band or 2-way mobile radios, custom bodywork, custom chroming, custom paint and custom wide-tread tires or racing slicks.

<u>Non-Owned Auto coverage (Non-Owner policy)</u>

Policies written for vehicles that are not owned by the named insured are Named Non-Owner policies. Named Non-Owner policies cover the permissive use of the non-owned vehicle under Part I – Liability, Part II – Medical Payments, and Part III – Uninsured Motorists. Physical Damage coverage is not available for Named Non-Owner Policies.

**Bodily Injury and Uninsured Motorists Bodily Injury Liability limits of $30,000/$60,000 are available on policies effective on or after 1/1/2025. Limits $15,000/$30,000 are available on policies effective prior to 1/1/2025.*

***Property Damage Liability limits of $15,000 are available on policies effective on or after 1/1/2025. Limits $5,000 and $10,000 are available on policies effective prior to 1/1/2025.*

DISCOUNTS

The following discounts are offered for this program:

Multi-Car Discount:
A discount will apply to applicable coverages when there is more than one vehicle on the policy and they are garaged at the same address. All vehicles need to be garaged at the same address to qualify for the Multi-Car discount. This discount will vary based on the amount of vehicles on the policy.

Renewal Discount:
A discount will apply to applicable coverages when the Insured has had continuous liability insurance with Nations Insurance Company for a minimum of one (1) year. This discount will vary based on the amount of years the insured has renewed the policy.

Mature Driver Discount:
A discount will apply to applicable coverages for rated drivers age 55 and over that meet the following requirements:

1. The driver has been issued a driver improvement course certificate by a DMV certified school within the previous 3 years and a copy of the certificate has been submitted to the Company; and
2. The driver must not have taken the course pursuant to a court order.

The discount will be applied effective the date the certificate is received by the Company and will apply for up to three years from the completion date of the course. The course must be taken every three years to continue eligibility for the discount. The discount will be removed at renewal if the driver has a chargeable accident.

Good Driver Discount:
A discount of 20% will apply to every driver that qualifies as a California Good Driver per CIC §1861.025. Vehicles that do not have a driver assigned will be rated with the Good Driver Discount only if all drivers on the policy qualify as Good Drivers per CIC §1861.025. In addition, if all drivers on the policy qualify as Good Drivers, the discount will be applied to applicable fees, as required by law. **Note:** In regards to the requirement of having been licensed continuously for the previous 3-years to qualify for the Good Driver Discount, in order for a foreign operator claiming that experience in a jurisdiction other than the U.S or Canada to qualify, a copy of his/her foreign driving record must be provided.

DRIVER ASSIGNMENT

The highest rated operator is assigned to the highest rated vehicle. If there are more vehicles than operators; the unassigned vehicle will be written using the "Extra Vehicle" factors for Years Driving Experience, and Marital Status with zero points. In addition, all applicable surcharges will be applied. All policies will be issued at the correct rates based on the information provided on the application and discovered during the underwriting process.

DRIVER CLASSIFICATION

The spouse of each married driver must be included or excluded as a driver on the policy. To be rated as married, drivers must be legally married.

In cases of Registered Domestic Partners, the persons will be rated as married as long as proof of registration with the California Secretary of State is received by the Company at the time of application or endorsement.

Widowed and divorced drivers will be rated as single.

DRIVER EXCLUSIONS

All regular and occasional operators (whether they reside in the household or not), and all persons in the insured's household age 15 or older (whether they have a license or not) must be listed on the application as a driver or excluded from coverage.

The Named Insured may be excluded. All married insureds must give driver information for the spouse in the drivers section of the application, or exclude the spouse with a signed Named Driver Exclusion.

DRIVING RECORD POINT SURCHARGES

We order MVR's and Claim History Reports (CLUE) on every risk. Please encourage the applicant to fully disclose his or her driving record to avoid premium adjustments or cancellation/rescission. Point surcharge is determined by using the driving record of individual drivers for the 36 months preceding the policy effective date. Conviction Date is used to determine whether or not the violation falls within the surcharge period. Use the highest point charge for multiple point charges arising out of one occurrence. Point charges may differ from section 12810 of the California Vehicle Code*. Please refer to the Vehicle Code Violations list attached to this manual for a comprehensive list of point surcharges and violation classification.

A policy will not be reclassified and re-rated for point charges expiring during the policy term. Rewrites for this purpose are not allowed.

***Note:** When determining point counts for the application of the Good Driver Discount, points are assigned in accordance with section 12810 of the California Vehicle Code.

Violation Type / Accident	Surcharge Points	
	1st Offense	2nd & subsequent
Minor Violations	**0,1, or 2***	**0,1, or 2***
Major Violations	**3**	**6**
At-Fault Accidents	**2**	**4**

**Please refer to the Vehicle Code Violations list for a comprehensive list of point surcharges.*

MINOR VIOLATIONS

Please refer to the Vehicle Code Violations list attached to this manual for a comprehensive list of point surcharges and violation classification.

The following minor violations will not be surcharged:

1. The operator at the time of the violation was on duty as a paid or volunteer member of any Police or Fire Department, First Aid Squad or any Law Enforcement Agency.
2. All minor moving violations occurring in commercial vehicles. The employer's statement that they occurred while on company business and in a company commercial type vehicle must accompany the application or endorsement.
3. Dismissed traffic violations. No more than one per 18-month period will be removed.

OTHER VIOLATIONS

Please refer to the Vehicle Code Violations list attached to this manual for a comprehensive list of point surcharges and violation classification.

ACCIDENTS

Documentation as to chargeability and/or the insured's declaration may be necessary in order to properly rate accidents. This documentation can consist of a police report, a written statement from the other party's insurance carrier or from the insured's previous insurance carrier or similar legal document verifying that the insured was not at fault. Signed statements (including policy "counter" reports) or letters from the insured's attorney are not acceptable. The insured's declaration, under penalty of perjury, attesting to his or her accident history will be considered as acceptable proof. If it is later discovered that the declaration contains a fraudulent or material misrepresentation, the policy may be canceled pursuant to California Insurance Code sections 661 and 1861.03c (1), and we may take any other action authorized by law including possible denial of any pending claim. Police reports are not acceptable proof of no-injury.

The following accidents will **not** be considered chargeable, if the applicant/insured demonstrates the following:

1. Applicant's/insured's automobile was lawfully parked.
2. Judgment or reimbursement was obtained from the responsible party.
3. Operator was struck in the rear and not convicted of a moving traffic violation.
4. Operator was struck by a hit-and-run driver and such accident was reported to the proper authorities

within 24 hours.

5. Operator was not convicted of a moving traffic violation in connection with the accident and the operator of the other vehicle involved in such accident was convicted of a moving traffic violation.
6. Operator was finally adjudicated not to be liable by a court of competent jurisdiction.
7. Accidents involving Physical Damage limited to and caused by flying gravel, missiles, falling objects or by contact with animals or fowl.
8. Operator at the time of the accident was on duty as a paid or volunteer member of any Police or Fire Department, First Aid Squad, or any Law Enforcement Agency.
9. Accidents occurring while operating a bus or any local transit system.
10. The accident was a solo vehicle accident that was principally caused by a hazardous condition of which the driver, in the exercise of reasonable care, would not have noticed (i.e. "black ice").
11. Operator determined to be 50% or less at-fault.
12. Non-injury accident in which the total amount of damage to property did not exceed $750.00 (effective for accidents that occurred on or before 12/10/11) or $1,000 (effective for accidents that occur/occurred on 12/11/11 or after)*.

*This amount may change at any time, as directed by the California Department of Insurance and if changed, the new threshold will automatically be used.

ENDORSEMENTS

An Endorsement Fee (see "FEES" section) will be charged for all endorsements, except for endorsements processed due to producer or company error.

Endorsements can be submitted online via the <Program Administrator> website at <Program Administrator's website>. Producers can also submit endorsement requests by faxing or mailing them to <Program Administrator> on a <Program Administartor> Endorsement Request Form. The form must include the policy number and all information, including the Named Insured's signature, rejections, exclusions, etc (when applicable), as well as supporting documentation (i.e. photos, registration, etc) necessary to process the request. Any required additional premium and/or fees collected by the producer should be submitted to <Program Administrator> via the <Program Administrator> website or by attaching an agency trust check to the endorsement request submitted (if being mailed).

All endorsement requests to reduce or delete coverage (including increasing deductibles), exclude driver(s), or requests to cancel a policy for Insured Request must be signed by the Named Insured. These changes will be effective the date requested, provided that the request is received or postmarked within three (3) days of the request.

Endorsement requests to increase coverage (including decreasing deductibles) will be effective the date they are uploaded on our website or the day after postmark. In the absence of a valid U.S. postmark on endorsements that are mailed, the date received by <Program Administrator> will be used.

PERMISSIVE USE BUYBACK ENDORSEMENT

A Permissive Use Buyback Endorsement is available at a 10% surcharge which removes the reduction in coverage for any involving an unlisted or undisclosed permissive user of any vehicle which qualifies as an insured vehicle in the Declarations page.

FEES

All fees are fully earned and non-refundable. All fees due will be deducted from any return premium due the insured.

Policy Fee - $35.00 ($28.00 - Good Drivers*)
A Policy Fee fully earned at inception will apply to all new business and renewal policies.

Fraud Fee - $1.75 (per vehicle)
A $1.75 per vehicle annual ($.87 semi-annual) fee must be collected and submitted to the State each year; this fee is fully earned. All policies include the appropriate per vehicle fees with each new and renewal policy issued. In addition, a Fraud Fee will be added for any/all vehicles being added to the policy by endorsement mid-term.

Installment Fee - $12.00
Each installment payment will have an Installment Fee added. This does not apply to the new business and renewal down payments.

Endorsement Fee - $7.00 ($5.50 – Good Drivers*)
An Endorsement Fee will apply to all endorsements, except for endorsements resulting from a Company or producer error.

Late Fee - $12.50**
A Late Fee will apply when a payment is not received by the scheduled installment payment due date.

Reinstatement Fee - $17.00 ($13.50 – Good Drivers*)**
A Reinstatement Fee will apply if a payment is accepted after the cancellation or expiration date of the policy. Policies will be reinstated with a lapse in coverage if a payment is accepted after the cancellation or expiration date.

Financial Responsibility (SR-22) Filing Fee - $20.00
An SR-22 Filing Fee will be charged for each SR-22 issued.

NSF Fee - $20.00
An NSF Fee will be charged for any payment not honored by the financial institution upon which it is drawn.

Cancellation Fee - $15.00
A Cancellation Fee will be charged when the policy is canceled due to non-payment or insured's request.

***Note:** Good Driver fees will apply when all drivers on the policy qualify as California Good Drivers, as per CIC §1861.025.
****Note:** Either the Late Fee or Reinstatement Fee will be charged for any one occurrence. We will not charge both for the same occurrence.

FINANCIAL RESPONSIBILITY (SR-22) FILINGS

Policies must carry Bodily Injury and Property Damage coverage in order for an SR-22 to be issued. Only Owner's Filings are offered and we must insure all vehicles registered to the named insured and/or their spouse, as well as the driver issued the filing and/or their spouse. Filings will not be provided for any excluded drivers, non-residents or unrelated individuals.

SR-22 filings will be made to reinstate only California driver's licenses. If an SR-22 is requested for a license issued in another state, the SR-22 request will be declined. SR-22 filings will be made for the Named Insured, spouse and eligible listed drivers. <Program Administrator> charges a one-time SR-22 Fee (See "FEES" section) for each SR-22 issued. This fee is fully earned and non-refundable.

The SR-22 will print in the producer's office after the upload of the application. The SR-22 is to be provided to the insured.

MILEAGE RATING

Each vehicle is rated using one of the following annual mileage programs.

Estimated Annual Mileage Program

The annual mileage estimate will represent the annual mileage the insured expects the vehicle to be driven for the twelve months following policy inception or renewal. As set forth in CCR section 2632.5 <Program Administrator> may also require or request information from the insured to support the estimate.

1. For new business or vehicles added during the term of the policy:
   a. The insured shall provide the miles he or she expects each vehicle will be driven during the twelve-month period following policy inception. <Program Administrator> may also require or request the information necessary to support the mileage estimate from the insured during this process (see sections 3 and 4 below) as set forth in CCR section 2632.5(c) (2) (C), (D), and (E).
   b. If the insured does not provide the estimated annual miles or does not provide required or requested information <Program Administrator> may issue a policy using the appropriate default annual mileage figure:
      i. Primary Vehicles: 13,000
      ii. Excess Vehicles: 6,000
   c. If the information provided does not support the insured's estimated annual miles, <Program Administrator> may issue a policy using a reasonable objective mileage estimate based upon the information provided.
   d. <Program Administrator> shall inform the applicant of the mileage figure which it will use to rate the policy.
2. For renewal business:
   a. During the renewal process, <Program Administrator> shall, at least every three years, request an insured to provide the estimated annual miles he or she expects each vehicle will be driven during the twelve month period following policy renewal. <Program

Administrator> may also require or request information necessary to support the mileage estimate from the insured during this process (see sections 3 and 4 below).

b. If the insured does not provide the estimated annual miles or does not provide required or requested information <Program Administrator> may issue a policy using the greater of the expiring annual miles, calculated mileage from odometer readings from a third party vendor, or the appropriate default annual mileage figure :

   i. Primary Vehicles: 13,000

   ii. Excess Vehicles: 6,000

c. <Program Administrator> shall inform the applicant of the mileage figure which it will use to rate the policy.

3. <Program Administrator> may require or request an insured to provide the following information:
   a. If the vehicle is used for commute purposes, the location of the workplace, school, or other destination where the vehicle will be driven and, if applicable, an estimate of the number of one-way miles the vehicle will be driven for commute purposes
   b. The number of days per week the vehicle will be used for commuting
   c. An estimate of the number of miles to be driven for pleasure or other purposes
   d. The approximate total number of miles driven for the twelve months following policy inception or renewal
   e. The current odometer reading of the vehicle to be insured.
   f. The reason for any differences between the estimate for the upcoming 12 months and the miles driven the previous 12 months
4. <Program Administrator> may request but shall not require an insured to provide the following information:
   a. Service records which document the odometer reading of the vehicle to be insured.
   b. The use of technological devices provided by the insurer or otherwise made available to the insured that accurately collect vehicle mileage information.
5. <Program Administrator> may obtain and use smog check odometer readings to estimate annual miles driven.

<u>Odometer Verified Actual Mileage Program (Validated Annual Mileage Program)</u>

We will use odometer readings provided by the insured, obtained by <Program Administrator> from the insured vehicle, obtained from the California Bureau of Automotive Repair, or obtained by any other method permissible by law. The insured must provide odometer readings upon request to <Program Administrator> to qualify for this program. If the insured does not provide these readings, the vehicle will be automatically placed into the estimated annual mileage program.

At new business, <Program Administrator> will attempt to obtain the vehicle's current odometer reading, current odometer reading date, and odometer reading from a third-party vendor. <Program Administrator> will calculate an annual mileage based on the information received.

For vehicles whose odometer readings could not be determined, we will attempt to calculate annual mileage based upon estimated mileage received from the insured, and updated odometer readings will be requested at renewal.

POLICY TERMS AND PAYMENT OPTIONS

POLICY TERMS:

Policies can be written for a 6-month (semi-annual) or 12-month (annual) term. Premium for a term greater than twelve months will not be accepted. Policy terms cannot be changed subsequent to the issuance of a new or renewal policy.

PAYMENT OPTIONS:

1. **Paid-In-Full Policy:** Requires full term policy premium and all fees. For the purpose of providing monthly payments; only company sponsored installment plans are allowed; **no premium financing will be accepted**.
2. **Payment Plans (Direct Bill or EFT):** Please contact <Program Administrator> for available payment plans.

Installment Payments

All checks are to be made payable to <Program Administrator>. An NSF Fee (see "FEES" section) will be charged for any insured's payment not honored by the financial institution upon which it is drawn.

Before accepting a payment from an insured, producers should first verify the payment amount and that the policy is in effect. If already canceled, Producers must call for approval before accepting payment. Installment payments received by the producer must be forwarded to <Program Administrator> via our website at <Program Administrator's Website>. For Agency EFT, the payment will be debited from the producer's trust account the following business day. Receipt of premium by the producer does not constitute receipt by the Company. Coverage provided will be based on the date and time the payment was received by <Program Administrator> on their website.

In addition, the web-site is capable of accepting electronic payments using the Insured's credit card (Visa and MasterCard) or the Insured's debit card with the Visa or MasterCard logo. Required data (account and security numbers) must be entered correctly in order to avoid the payments being rejected by the financial institution.

Note: For the purpose of determining when a payment has been made, <Program Administrator> will consider a ***mailed*** payment to be tendered as of the day after the United States Postal Service postmark date on the envelope that contained the payment. In the absence of a postmark, the payment will be considered tendered as of the date it was physically received by <Program Administrator>. Reinstatements for lapsed policies for which a mailed payment was received, will be made effective as of the date "tendered". For payments made to <Program Administrator> by phone or on the website, the payment will be considered tendered as of the date and time the payment was accepted, however a lapsed policy will be reinstated effective the following day.

RENEWAL PROCEDURES

No later than twenty (20) days prior to the policy expiration date, a renewal offer will be sent to the Insured. The insured will be given the option to pay their policy in full or have their premium billed in installments. The insured must postmark the total renewal down payment prior to the due date to maintain coverage and avoid a policy lapse. Subject to Company approval, policies may be renewed with lapse, subsequent to the receipt of the renewal payment, within the first twenty (20) days after the policy expiration date.

Policies will be reviewed at each annual anniversary of the policy inception date for program acceptability. At that time, we will re-run MVR's and will rate the policy with any new/additional MVR activity. Policies that are no longer acceptable per these Underwriting Guidelines will be non-renewed at this time, as allowed by the CA Insurance Code.

SURCHARGES

The following surcharges will be applied as applicable:

Vehicle Type/Sport Utility Vehicle (SUV) Surcharge:

A surcharge will apply to applicable coverages for vehicles that are classified as Sport Utility Vehicles (SUV), Vans, and Trucks.

High Risk Vehicle Surcharge:

A surcharge will apply to applicable coverages for the vehicles listed below, in addition to other, similar performance / sports vehicles not listed:

1. Any vehicles with a value when brand new in excess of $50,000.
2. All convertibles.
3. All 4WD pickups and SUVs.
4. All vehicles otherwise listed as Unacceptable that we must insure due to the policy being a Good Driver policy, per California Insurance Code §1861.025.
5. Any vehicle in the following list:

Acura CL, RSX, TSC, RDX, TL, RL, MDX, SLX	Ford Thunderbird Super Coupe or Turbo	Mazda RX(series) and Miata
Audi (all models that are not unacceptable)	Ford Thunderbird Turbo	Mercedes (all models that are not unacceptable)
BMW (all models that are not unacceptable)	Honda CRX, CRX SI	Mercury Cougar XR-7, Capri, Merkur XR4TI
Cadillac (all models that are not unacceptable)	Hummer H3	Mitsubishi Starion or Montero
Chevrolet Camaro (all sub models not unacceptable), GTZ, Camaro Iroc-Z, Z28, Tracker (Geo)	Hyundai Tiburon	Pontiac Bonneville SSE and SSEI, Gran Prix GT and GTP Super, Trans-Am, Fiero, Firebird (8 cyl), Formula, GTO
Chrysler Laser or Crossfire	Infiniti (all models that are not unacceptable)	Porsche 914
Datsun/Nissan All Z/ZX Series (that are not unacceptable), 200SX, 240SX, Pulsar, NX	Isuzu Impulse or Amigo	Saab (all 900 and 9000 series)
Dodge Daytona, Magnum or Charger	Jaguar X-Type	Suzuki Sidekick, X-90, Samurai
Eagle Talon	Kia Sportage	Toyota Rav-4, Celica GTS, Supra, MR2
Ford Mustang (8 cyl), Probe, EXP, Taurus SHO, Contour	Lexus (all models that are not unacceptable)	Volvo (all models)
Ford Crown Victoria (police interceptor)	Lincoln (all models that are not unacceptable)	VW Corrado, Scirocco, Jetta, Passat AWD, GTI

Note: Only one surcharge will be applied per vehicle, if applicable.

Business Use Surcharge:

A surcharge will apply to applicable coverages for vehicles used in the course of business. See "VEHICLE USE" section for clarification and acceptability guidelines

UNACCEPTABLE DRIVERS

IMPORTANT NOTICE
To the extent the operation of these rules would deny coverage to a Good Driver, as defined by law, these rules shall not apply.

The following is a list of unacceptable drivers:

1. Any driver with a felony conviction involving a motor vehicle, or who was cited for hit and run or vehicle theft.
2. Any driver with a felony narcotics or drug conviction involving a motor vehicle in the past ten (10) years.
3. Any driver with two (2) or more at-fault accidents in the past five (5) years.
4. Any driver with two (2) or more majors in the past five (5) years or three (3) or more in the past 7 years.
5. Drivers with revoked or canceled license.
6. Any driver with less than 3 years of driving experience.
7. The following drivers are unacceptable based on the combination of their years of driving experience (based on the number of verifiable continuous years that the driver has been licensed to drive) and driving record (driving activity below is considered for the previous three (3) years):

Years Driving Experience	**Driving Activity**
< = 4 Years	Any driver with more than two (2) minor violations or with any major or at-fault accident is unacceptable.
5 – 7 Years	Any driver with a combination of more than three (3) incidents; in addition, no more than one (1) of those incidents can be either an at-fault accident or a major violation.
8 – 10 Years	Any driver with more than four (4) of a combination of minor violations, major violations, and at-fault accidents.
11 + Years	Any driver with more than four (4) of a combination of minor violations, major violations, and at-fault accidents. Five (5) is acceptable as long as none of them are at-fault accidents or major violations.

UNACCEPTABLE VEHICLES/RISKS

Eligible vehicles are private passenger automobiles and utility vehicles (pickup trucks and vans) not exceeding 1 ton load capacity, not exceeding 10,000 lbs. in Gross Vehicle Weight (GVW) and owned or leased by an individual.

IMPORTANT NOTICE
To the extent the operation of these rules would deny coverage to a Good Driver, as defined by law, these rules shall not apply.

VEHICLES/RISKS NOT ELIGIBLE FOR ANY COVERAGE

1. Commercial type vehicles such as flatbed or stake-bed vehicles, step, utility, or panel vans/trucks, 12 or 15 passenger vans or similar vans designed or meant for commercial transportation and vehicles registered to a commercial entity.
2. Non-owned vehicles. This does not apply if the Named Non-Owner Endorsement is added to the policy.
3. Any vehicle not registered in a state or territorial jurisdiction of the United States.
4. Vehicles not garaged in California at least 11 months of the year, including vehicles used by students attending school outside of California.
5. Vehicles used for work are unacceptable unless the Business Use Surcharge has been applied. (See "SURCHARGES" and "VEHICLE USE" for details.)
6. Vehicles used for racing or speed contests (professional or amateur).
7. Vehicles used for emergency or law enforcement (including volunteer status).
8. Vehicles used for deliveries; for example: messengers or courier services, pizza/ food delivery, newspaper delivery or distribution, mail/parcel post delivery, etc.
9. Vehicles used for public livery; for example: buses, taxis, limousines, vanpools (this does not apply to share-the-expense carpools), and shuttle service.
10. Vehicles used to transport nursery or school children, elder care, or other medical patients.
11. Vehicles rented to others (short-term or long-term).
12. Any vehicle with more than $2,500 in damage (until damage has been repaired).
13. Baja bugs, Dune Buggies, or similar off-road vehicles.
14. Motorcycles, Motor Homes, Travel Trailers, Campers, or any other recreational vehicle.
15. Custom, rebuilt, altered, modified and specially built vehicles (including kit cars). This includes vehicles with an altered suspension (raised or lowered from factory design) or vehicles with more than $500 of additional equipment.
16. Vehicles with more or less than four (4) wheels.
17. Vehicles with a cost new or current value (ACV) above $50,000 or any vehicle with a current market value in excess of its ISO symbol value.
18. Classic or antique vehicles. This includes "hot rods" or other vehicles used for show.
19. Grey Market vehicles.
20. Vehicles that are not in safe mechanical condition.
21. Applications insuring people at different households or addresses.
22. Any vehicle listed below:

Acura NSX	Dodge Stealth, Viper, or SRT-8 Series	Maserati
Alfa Romeo	Dual Ghia	Maybach
Aston Martin	Dusenberg	Mercedes Benz (other than 190 and C-series)
Audi 4000,5000, R8, Quattro, TT or RS Series	Facel II	Mitsubishi Eclipse, Lancer or 3000 GT
Austin Cooper	Ferrari	Nissan 350Z, 370Z or GT-R
Austin-Healy MG	Fiat (model years < 2010)	Pantera
Avanti	Ford Mustang GT, Cobra, Boss, or Saleen	Peugot
Bentley	Ford Shelby Cobra	Plymouth Prowler
BMW Alpina, Z Series or M Series	Honda S2000	Porsche (except 914)
Bradley	Hummer (except H3)	Rambler
Cadillac Escalade, XLR, or CTS-V	Infiniti Q45	Rolls Royce
Chevrolet Camaro SS, Camaro ZL1, or Corvette	Jaguar (except X-type)	Rover
Chrysler Prowler or SRT-8 Series	Jensen Healy	Scion FR-S
Citroen	Lamborghini	Sterling
Cobra	Lancia Scorpion	Subaru Brat, BRZ, WRX and SVX
Cord	Land Rover (except LR2)	Suzuki Kizashi
Daimler	Lexus F-Series	Triumph
Delorean	Lincoln Blackwood	Volkswagon (VW) Bus, Thing, or Golf R
	Lotus	Yugo

When the ineligible vehicle rules are waived as a result of a Prop 103 Good Driver Policy, the following must be submitted for approval prior to binding the risk (regardless of the coverages requested):

1. A current California vehicle registration showing the insured as the registered owner of the vehicle; and
2. Three (3) photos (2 photos showing all four sides of the vehicle and 1 showing a legible VIN plate); and
3. Evidence that the vehicle is in compliance with California Code of Regulations section 2632.19(b)(3).

VEHICLE INSPECTIONS

The producer must inspect each vehicle to ensure it is in fact the vehicle being insured and to verify whether or not the vehicle has existing damage. Current photos (i.e. taken concurrently with the completion of the application and/or endorsement) of the vehicle(s) taken by the broker are required as follows:

For new business, two photos that provide an unobstructed view of all four sides of the vehicle are required for all vehicles requesting physical damage coverage.

For endorsements, two photos that provide an unobstructed view of all four sides of the vehicle are required for the following scenarios:

1. A vehicle with Physical Damage Coverage is being added to the policy; or
2. Physical Damage Coverage is being added to a vehicle that is already on the policy; or
3. Comprehensive / OTC and Collision deductibles are being lowered/decreased; or
4. Vehicle was deleted and then added back to the policy and Physical Damage coverage is requested.
5. Physical Damage Coverage was requested to be deleted, and then later requested to be restored after the coverage was removed.

Exception: Inspection requirements (including photos) may be waived if the vehicle being insured is a new, unused vehicle purchased or leased from a dealer and we are provided with a copy of the bill of sale, purchase order, or conditional sales contract (no more than 1 day old) that contains a full description of the vehicle, including all options and accessories. The sales contract may not be handwritten.

Vehicles with existing damage: In addition to the photo requirements above, if there is existing damage, additional photos clearly showing all damage are required.

Do not include physical damage coverage on any vehicle until photos have been taken by the producer.

VEHICLE SYMBOLS

Use ISO symbols for rating all vehicles with Physical Damage coverage. For all vehicles not specifically assigned a symbol by ISO, the ISO procedures for determining those Rating Symbols based on model year, value, etc should be used. Contact the Underwriting Department for questions regarding these procedures.

VEHICLE USE

All vehicles are considered to be used for pleasure, unless a Business Use Surcharge is applied. The Applicant / Named Insured must complete a Business Use Exclusion, which applies to any/all vehicles that are not being rated with the Business Use Surcharge.

BUSINESS USE SURCHARGE

Private passenger autos and pickup trucks where the vehicle is used occasionally in the course of business are eligible if the Business Use Surcharge is applied. Commercial vehicles, vehicles registered to a business or corporation, vehicles used for livery or hauling, and vehicles which regularly transport clients/customers are ineligible. All other applicable underwriting rules, including those relating to eligible types of business use or eligible vehicles still apply and must be met.