

CMGA INSURANCE

Personal Auto Underwriting Guidelines

For

**PRIVATE PASSENGER AUTO PROGRAM
NEW BUSINESS EFFECTIVE: 12/01/2025
RENEWAL BUSINESS EFFECTIVE: 01/01/2026**

Underwritten by Redpoint County Mutual Insurance Company (Redpoint)

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General Information and Procedures

This guide cannot address every scenario. Therefore, CMGA Insurance retains final authority to accept or retain a risk.

Submissions

All applications submitted must be completed in their entirety. Both the producing agent and the applicant must digitally sign the application in all required sections. Applications must meet all eligibility requirements set forth in the guidelines as well as any requirements set forth in the producer agreement.

Applications must be bound on the CONSTITUTIONMGA.com website and will be issued with an effective date the same date and time the policy was bound. The company will consider any properly documented loss as a covered loss if it occurs after the time the receipt is given for the down payment.

All required documentation must be uploaded at the date and time of binding for it to be considered in the underwriting and rating of the policy. After binding, our website allows you to issue any or all Declaration Pages, ID Cards, and Policy Forms (Jacket and Endorsements) at the point of sale and given to the insured and/or all the forms listed above may be sent directly to the insured's Email address.

Installment Payments

Any installment payment taken by Agent should be receipted on the MGA website at CONSTITUTIONMGA.com. This ensures that the payment amount is correct, and that the policy has not cancelled prior to the date the payment is taken. The website is capable of accepting electronic payments using Agent Check, Insured Check, and Insured Debit/Credit Card. Required Data (account numbers, etc.) must be entered correctly to avoid the payments being rejected by the Financial Institution and fees being incurred for non-fundable transactions. Agents should only deposit into their account and fund MGA using their check for guaranteed funds (money orders, cash, and cashier's check). NSF checks to agent for installment payments may not be refunded to agent.

Coverage Type

Coverage type takes into account the Lienholder status for a vehicle. The status does not change if the lienholder is removed during the policy period and the status will carry over to the renewal. The following rate codes will be used based on the lienholder status: A1 = Full coverage no Lienholder, B1 = Full coverage with a Lienholder, C2 = Non-Owner, D3 = Liability "Only".

Renewals and Non-Renewals

Renewal billing notices will be sent prior to the policy expiration date. Renewal policies will be mailed directly to the insured along with a renewal bill. The first installment will be due 10-days prior to the renewal date. A Renewal Adjustment will be applied at the policy level.

When a non-renewal flag is set, a non-renewal notice with the reasoning will be automatically generated and mailed out to the insured 60 business days prior to the expiration date.

Underwriting Decisions

MGA may use MVRs, Criminal Background, RVP, CLUE, A-Plus, Household Driver and DMV (title) reports to determine if any risk is properly rated. Rates may be adjusted, driver exclusions requested, or policy cancelled, as needed, based upon information received via these reports.

Misrepresentation

The applicant has an obligation to truthfully and fully respond to the information requested on the application, endorsement request, renewal inquiries and information requests. The agent must carefully question the applicant so that every opportunity is afforded to obtain complete and accurate information. Material misrepresentation may result

in the policy being rescinded. It is important for insureds to be aware that a claim may not be paid due to false or misleading information.

Weather Related Binding Restrictions

Physical damage coverage may not be bound in a county under a hurricane, flood, tropical storm, hail or tornado "warning" issued by the National Weather Service. This includes new business, and endorsements to add COMP/COL coverage.

Lienholder

Complete Lienholder name and address information may be added at any time so proof of coverage can be issued. There may be a premium adjustment for new business or endorsement.

Cancellations

1. Flat Cancellation – not permitted except for the following:

(a) Down payment not honored by financial institution. If applicant's down payment is not honored by the financial institution, the policy will be a flat cancel and no coverage will be afforded. No opportunity will be offered for replacement of the unpaid monies. If the down payment was deposited by the producer, a request to flat cancel along with a copy of the NSF check (front and back) or documentation of credit card payment being declined, rejected or disputed must be uploaded to MGA within twenty (20) days of the effective date of coverage. Do not attempt to collect any replacement funds. No coverage will be afforded for the policy issued with the NSF down payment and the policy will not be reinstated once the uploaded requesting flat cancellation is received by MGA.

(b) Duplicate coverage - a copy of the declaration page from the issuing carrier indicating same coverage and vehicle, and the insured's signed request must be uploaded to MGA.

2. Non-Payment of an installment - will require ten (10) days' notice and be calculated on a pro-rata basis for the following:

(a) Installments payable to the producer, returned not honored by financial institution. The producer may request the company send Notice of Intent to Cancel for "Non-payment to the producer". Return premium will be pro-rata from the effective date of cancellation on the required notice. Reinstatement will be considered only if requested in writing by the producer prior to the effective date of cancellation. If funds are collected after the effective date of cancellation, the policy must be rewritten.

(b) Non-payment to the company. If a short payment is received or an additional premium is charged, a Notice of Intent to cancel for "Non-payment to the company" may be issued. Reinstatement may be considered if the premium due is paid prior to the effective date of the cancellation.

3. Company Request - Underwriting Reasons may only be considered for reinstatement if the underwriting reason is for cancellation:

(a) Is remedied by additional information or action furnished to the company, and

(b) Such information is received prior to the effective date of cancellation, and

(c) There is no premium due at the time of reinstatement.

4. Company request - Underwriting Reasons for Cancellation

(a) Policy will be set to cancel on or before the 59th day from the inception date if a claim is filed within 30 days from inception date.

5. Company request - Underwriting Reasons for Non-Renewal

(a) When 2 or more claims are filed per policy anniversary year.

6. Insured Request - will be calculated on a pro-rata basis.

(a) All requests must be made in writing to the company and include the insured's signature.

(b) Notice to any third-party interest will be sent as required.

(c) Insured's request may be faxed to MGA or postmarked by the US Postal Service. The policy will be canceled no earlier than the day after the fax or US Postmark.

(d) In case of the insured's death, either the spouse or power of attorney may request cancellation.

Refunds

Refunds for unearned premiums in the amount of \$5 or less will only be processed upon the request of the insured. Refunds of unearned premium exceeding \$5 will be mailed to the insured within 15 business days after the effective

date of cancellation or termination.

Mailing Address Update

The mailing and garage address will be updated based on National Change of Address (NCOA) report when processed through United States Postal Services (USPS). If the change impacts the policy premium, a revised bill and notice reflecting the new amount will be mailed out.

Policy Garaging Address

There must be a verifiable garaging location in Texas for each vehicle. A post office box or alternate garaging address is not acceptable.

Reinstatement / Rewrite

Policies can be Reinstated without a lapse up to 15 days after cancellation for non-payment. A no loss statement signed and dated by the named insured is required for reinstatement. A Rewrite will occur when there is a lapse in coverage for more than 15 days after cancellation for non-payment. All Rewritten policies will be underwritten as new business.

Online Endorsement

Policy changes should be processed online at CONSTITUTIONMGA.com. E-signatures may be required. The endorsement documents will be available to be printed in the agent's office along with the receipt for additional premium due and new ID Cards when applicable. Please UPLOAD the required vehicle photos to maintain the Photo Discount.

Phone in Endorsement

If online endorsement is not available for an existing policy, then the change request may be phoned into MGA. However, a request to cancel the policy or a request that requires a signature (coverage rejection, driver exclusion) cannot be completed by phone.

We will require:

- A. Agent Number and the name of the Agency Representative
- B. The requested change

We will provide you with:

- A. Confirmation Number
- B. Amount of additional premium required, which should be collected from the insured and remitted to us along with Policy Number, Confirmation Number.
- C. New Installment Amount
- D. A confirmation letter will be produced for both you and the insured confirming the change.

Endorsement Effective Date

Online endorsements will show effective date to be the date and time the endorsement is uploaded to MGA. Endorsements not uploaded will show effective date to be 12:01 a.m. the date following receipt by MGA. However, where applicable the company will consider any properly documented loss as a covered loss if it occurs between the date and time the endorsement is called or faxed to MGA and 12:01 a.m. the following date.

Endorsement Miscellaneous

- E & O Carriers recommend agents obtain a signed request for any policy change.
- E-signature is required on the MGA system for those endorsements MGA requires signed rejections, exclusions, etc. to process.

New photos will be required if any of the following coverages are added to an existing vehicle regardless of whether photos were previously provided for the vehicle or not. Please UPLOAD the required vehicle photos in-order to complete the endorsement process.

- COMP / Collision Coverage
- Decrease in Deductible
- Additional Custom Equipment
- Vehicles deleted in their entirety and then added back with COMP/COLL
- Uninsured/Underinsured Motorist
- PIP or MED (these coverages cannot be written together)

Additional Premium Endorsement

A payment is required for all additional premium endorsements. The minimum premium due will be calculated by the system.

Return Premium Endorsement

Return premium endorsements require no down payment. For direct-bill policies the credit will be applied reducing one or all the future installments.

SR-22 Financial Responsibility Filing

The following conditions will apply for any SR-22:

- Eligible on semi-annual policies only.
- Cannot file SR-22's for any other state other than Texas.
- SR-22 filings will be made for the Named Insured, spouse and eligible listed drivers. The reason the SR-22 is required must be included for us to make the filing. The reason can be found on the Suspension Letter from the Texas Department of Public Safety. A SR-22 filing will not be made unless the reason is included.
- A Non-Owner policy may be written for a driver requiring a SR-22 filing who does not own a vehicle.
- MGA charges a one-time fee for processing a SR-22. The fee must be collected in advance, and it is not refundable.
- Do not collect or remit the DPS \$100.00 reinstatement fee if it is required. This fee should be remitted to the Texas Department of Public Safety along with the driver's license number. If the fee is submitted to MGA, it will be applied to the policy balance.
- Submit one copy of the SR-22 with the application or endorsement and provide the other copy to the insured, or, mail or fax to:

Texas Department of Public Safety ATTN: Safety Responsibility Bureau 5805 N. Lamar Austin, TX 78752 (512) 424-2600	Fax Number: 512-424-2848
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- It is the insured's responsibility to make sure the filing fees are sent to the Texas Department of Public Safety directly and the license is reinstated.
- SR-22a filings may be required in cases involving a judgment against a driver as a result of an at fault accident. MGA will issue the SR-22a only upon receipt of "payment in full" by certified funds and after all underwriting information has been received and verified.

Coverage Combinations

- Physical damage coverage cannot be written without liability.
- Uninsured/Underinsured Motorist Property Damage, on any vehicle that does not have four (4) corner, Vin #, and Odometer photos taken and submitted with the application. Please UPLOAD the required vehicle photos to complete the application/endorsement process.
- Uninsured/underinsured motorist property damage coverage cannot be written without uninsured/underinsured motorist bodily injury coverage.
- Comprehensive and collision coverage is not available separately, they must be written together.
- A maximum of 6 vehicles are allowed on one policy, with a minimum of 2 drivers required after the 4th vehicle.

- Medical payments coverage cannot be written on the same policy with personal injury protection.

Business Use

Business Use is NOT ACCEPTABLE.

Rental Use

NO COVERAGE for damage to RENTAL VEHICLES

Drivers: Ineligible for New Business

- Any operator who is not a resident of Texas
- Any applicant under the age of 19 years, unless the primary named insured on the policy is 19 years of age or older
- Drivers over age 85 for new business
- Any operator who lives or works in Mexico
- Migratory risk, including transient and seasonal workers
- All entertainers, athletes, celebrities or any professional individual, who is nationally or locally well known to a large segment of the population except for elected officials
- Operators developing more than 50 points over a three-year experience period for moving violations, accidents and claims. Criminal history within ten years immediately preceding the effective date of the policy
- Any physically or mentally handicapped risk, unless specifically disclosed to us and submitted with a completed Company "Physician's Report" form.
- Any operators 75 and older without a completed company: Physician's Report" form.
- Refer to the violations table in the Rate Specifications for other limitations and restrictions
- Students residing and/or attending school in a state other than Texas

Exclusion of Named Driver

All persons in the insured's household age 14 or older must be listed on the application as a driver; otherwise, those persons must be excluded with endorsement 515A. The named insured may not be excluded. All married insured's must give driver information for their spouse in the driver section of the application. They may exclude their spouse with a signed endorsement 515A. Any Named Insured with an excluded spouse will be rated as "single".

Claims Procedures

Reporting Losses

Please encourage your insureds to report their claims directly to the company by using the contact numbers listed below. This helps speed up the claims handling process as well as increases the accuracy of the information because the insured, claimant, or attorney provides loss details directly to the claims department. The claims reporting phone number is on the I.D. card. No accord loss notice is required.

Phone: (888) 888-2400

Fax: (832) 550-8814

Texas Administrative Code RULE §5.401

Temporary and Permanent Requirements Regarding Underwriting Treatment of and Disclosure to Applicants for Private Passenger Automobile Liability Insurance

Pursuant to TAC Rule §5.401, as an appointed representative of the company, it is incumbent upon the agent to properly inform any applicant with no prior insurance having no more than one accident and one violation within the past three years when the premium quote for the company equals or exceeds the premium available through the assigned risk plan. Any agent found to not be in compliance with this rule will be subject to possible suspension or termination