
CONNECT MGA LLC

PERSONAL AUTO UNDERWRITING GUIDELINES

for

CCB 6-Month and CCM 1-Month
Texas Private Passenger Auto Programs

Underwritten by Old American County Mutual Fire Insurance Company

New Business Effective: 4/1/2025

Renewals Effective: 5/1/2025

Table of Contents

General Information and Procedures	4
Submissions	4
Policy Term	4
Fees	4
Payment Options	5
Installment Payments	5
Renewals and Non-Renewals	5
Available Coverages	5
Photo Requirements	6
Underwriting Decisions	6
Weather Related Binding Restrictions	7
Discounts	7
Multi-Car Discount	7
Prior Insurance Discount	7
Company as Proof of Prior	8
Renewal Discount	8
EFT Discount	8
Homeowner Discount	8
Early Shopper Discount	8
UMPD with Collision Discount	8
Cancellations	9
Endorsements	10
SR-22 Financial Responsibility Filing	10
Eligible Vehicles	11
Vehicles Ineligible for Physical Damage Coverage	12
Vehicle Rating Symbols	12
Same eligibility applies for a newly acquired vehicle	12
Vehicle Profile	12
Business Use	12
Ineligible Drivers	13

Driver Classification	14
Driver’s License	14
Exclusion of Named Driver	15
Violations	15
Mandatory Endorsements	16
Optional Endorsements	17
Claims Procedures	17
Texas Administrative Code RULE §5.401.....	17

General Information and Procedures

This guide cannot address every scenario. Therefore, Connect MGA LLC (Connect MGA) 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 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. If the insured does not agree to digital signatures, you can print out the application and have them sign all applicable spots with a pen. The wet signature applications must be uploaded to the policy for review.

All vehicles listed on the application/policy must be titled to a listed or excluded driver on the policy. If they have not yet had the opportunity or time to register the vehicle, proof of ownership such as a bill of sale should be provided to show insurable interest. Proof of Insurable Interest may be requested at any time during the policy period.

Applications must be bound on the connectinsurance.com website. 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.

Upload or email any documentation within two business days following binding. After binding, our website allows you to issue Declaration Pages and ID Cards and any additional endorsements at the point of sale. When using remote e signature option, new Declaration and ID cards will be available as soon as insured signs documents remotely.

These should be printed and given to the insured along with a reminder, as indicated on the Declarations page, that a specimen copy of their auto policy is available online or can be emailed to them when the policy is bound.

Policy Term

Monthly and Six Months

Fees

- A. Policy Fee: fully earned at inception. This fee applies to all policies. The policy fees are \$72 for six month term policies and \$15 for one month.
- B. Service Charge (Installment Fee) added to each installment on a semi-annual policy. The service fee starts at \$3.00 per month for policies up to \$250 in NWP. For policies over \$250, the installment fee increases by \$0.50 per \$150 of premium, or fraction thereof.
- C. Motor Vehicle Crime Prevention Authority Fee (MVCPA): \$2.50 per vehicle applies to every vehicle on a 6-month policy with liability coverage. \$0.42 per vehicle applies to every vehicle on a 1-month policy with liability coverage.
- D. NSF Fee: a \$25 fee applies to any payment returned unpaid by the applicable bank or financial institution.
- E. Late Fee: a \$8 fee applies to installment payments made after the due date of a semi-annual policy. We do not charge late fees for the first installment of each six-month term.

- F. SR-22 Fee: a \$35 fee applies to semi-annual policies that require an SR-22.
- G. Stop Pay Fee: a \$35 fee is charged when a stop pay is required for any check issued by Connect MGA
- H. Cancellation Fee: a \$5 fee is charged when the insured requests policy cancellation prior to expiration date of the policy. If the insured requests cancellation on the expiration date, no fee is charged.

Payment Options

All policies are company direct billed. Premium financed policies will not be accepted.

- A. Paid in Full: All premium and fees are paid in advance by the insured
- B. Installment Plan: 17% down payment with five monthly installments. The first payment will be due twenty (20) days after the effective date of the policy and the remaining payments will be due every thirty (30) days. Other options include 25% down 5 payments with first payment due in 30 days; 34% down 4 payments with first payment due in 50 days; 55% down 1 payment with that payment due in 91 days
- C. Change Due Dates: Insureds may elect to have their due date changed by pre-paying for extra days added to the due date in order to ensure there is enough pre-paid equity to cover up to 10 days past the new due date.

Installment Payments

Any installment payment taken by Agent should be receipted on the Connect MGA website at connectinsurance.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 E-Check, Insured E-Check and Insured Credit Card.

Renewals and Non-Renewals

Both renewal billings and non-renewal 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. If the named insured or a driver covered by a policy fails to cooperate in the investigation of a claim, we must immediately non renew the policy regardless of required non renewal notice time frames or policy anniversary requirements.

Available Coverages

- A. Liability Bodily Injury: \$30,000/\$60,000 - This coverage is required on all policies.
- B. Liability Physical Damage: \$25,000 - This coverage is required on all policies.
- C. Uninsured/Underinsured Motorist: Limits are identical to Liability. A signed rejection is required to exclude this coverage from a policy.
- D. Personal Injury Protection: \$2,500 - A signed rejection is required to exclude this coverage.
- E. Medical Payments: \$500 or \$1,000- A signed PIP rejection is required to add this coverage to a policy.
- F. OTC and Collision: These coverages are not available separately. Only one lien holder per vehicle is allowed. Deductible options are: \$250, \$500, \$750 and \$1000.
- G. Loan Lease Payoff: Available only on policies with OTC/Collision coverage; up to 25% of vehicle

Actual Cash Value (ACV).

- H. Rental Reimbursement: \$20 per day, \$600 maximum, or \$40 per day \$1,200 maximum, available only on vehicles with OTC and Collision.
- I. Towing and Labor: \$40 or \$75 per disablement, available only on vehicles with OTC and Collision.
- J. Additional Custom Equipment: This coverage is available only on vehicles with OTC and Collision. \$3,000 is the maximum amount available. To afford coverage for any modifications to the vehicle, or any equipment, which is not standard on the make and model vehicle scheduled, it must be described on the application and premium paid for the coverage. (Replacement of factory-installed equipment with a higher valued item must also be scheduled).

Photo Requirements

Photos are required on any vehicles with the following coverages: Uninsured/Underinsured Motorist, PIP, OTC, Collision, Rental Reimbursement, Towing and Labor, and Additional Custom Equipment. Two photos, as indicated, are required. We require photos of all 1-ton vehicles or larger vehicles or vans that may be commercial in nature. The time requirement for photos is 48 hours for new business and immediately upon any endorsement. Submitted photos may be taken by the insured or the agent, but they must be recent photos taken within a week of submission and preferably date stamped. Any agent that submits old photos that have been saved from prior policy terms or not applicable photos that were uploaded simply to bypass the photo requirement rule, will be subject to suspension. If the insured requests the addition of a vehicle to their policy and they are requesting coverage that requires photo upload prior to endorsement binding, then the agent is authorized to upload a white paper with the note "Vehicle purchase from dealer" written on it as a substitute for the initial vehicle photos. We still want vehicle photos uploaded, but are providing this authorized workaround in order for the agency to process the endorsement so the insured can obtain vehicle from dealer. Newly purchased vehicles (vehicles miles less than 200 on odometer) may submit a copy of bill of sale in lieu of vehicle photos.

Underwriting Decisions (Third-party data information)

Connect MGA may use the following third-party vendors for rating support or verification:

Verisk – ISO Services, Inc. for

- MVRs, MVR reports provide us with citation data use for applying points to rated drivers
- Verisk A-Plus Loss Reports, provide us with prior at fault accident data for rated drivers
- Coverage Verifier provides us with information that we use to either validate or apply prior insurance discounts.

CarFax is used for obtaining the vehicle information from their (AMC) Average Mileage Information data set, as well as their (DML) Demographic Information data set. The following specific data elements are used:

- Annual Mileage Estimate, used in our Vehicle Mileage Ratio rating variable
- Ownership Info > Last Owner Titling State, is used for our Vehicle Last Titled State rating variable
- Ownership Info>Last Owner Acquisition Date, is used to calculate our Vehicle Length of Owner rating variable
- Severe Problem Flag and Date, used for our Vehicle Severe Problem rating variable.

Texas Department of Motor Vehicles, is used for verification of vehicle ownership.

DCS Information Systems, is used for verification of homeowner discount, verification of household residents with either Texas Licenses or Texas ID Cards, driver criminal background information, and household vehicle ownership information.

Rates may be adjusted, driver exclusions requested, or policies cancelled, as needed, based upon information received via these reports.

Weather Related Binding Restrictions

Physical damage coverage may not be bound in areas that are under hurricane, flood, tropical storm, or tornado “watch” or “warning” issued by the National Weather Service. This includes areas within 100 miles of the “watch” or “warning” area. This includes new business, as well as endorsements which add physical damage coverage. All vehicles must be inspected for pre-existing damage. Connect MGA must be notified of any pre-existing damage

Discounts

Multi-Car Discount

A discount will apply to policies with multiple vehicles in a single household. This discount will be removed if listed vehicles or listed drivers are registered or live in multiple households.

Prior Insurance Discount

A prior insurance discount will apply if the applicant has maintained continuous private passenger auto insurance for at least a six month period and has not been lapsed for more than thirty (30) days. Insureds with proof of prior for twelve (12), eighteen (18), and twenty-four (24) months may qualify for additional discounts. We use Verisk Coverage Verifier to validate the prior insurance discount at point of sale. If the insured has prior insurance with a carrier that contributes policy data to Coverage Verifier, then a V1 (6 months prior), V2 (12 months prior), V3 (18 months prior) or V4 (24 months or more) prior insurance discount will be automatically applied at point of sale and no further proof of prior insurance will be required from the agent or insured. If the insured has prior insurance with a company that does not contribute policy data to Verisk Coverage Verifier or the insured has a combination of verified and unverified prior insurance, then the insured may qualify for a P1 (6 months prior), P2 (12 months prior), P3 (18 months prior), or P4 (24 months or more prior) discount based on submission of adequate proof. We will accept company screen shots, Dec pages, Company Letters of Experience and Company ID cards as valid proof of prior. We will not accept agent generated ID cards or agent letters of experience as valid proof of prior.

Company as Proof of Prior

On a new policy, a Connect MGA policy may not be used as the proof of prior insurance unless the Named Insured on this new policy:

- A. Was a ‘parent’ or ‘child’ of the Named Insured on the policy that is being used for the proof of prior insurance discount.

- B. Was a divorced/separated 'spouse' of the Named Insured on the policy that is being used for the proof of prior insurance.
- C. Was Named Insured on a policy that cancelled or lapsed due to overseas military deployment.
- D. Was Named Insured/Spouse on a policy that was continuously in force with Connect MGA for at least six (6) months and has canceled/lapsed for 0-30 days and is being rewritten through website rewrite process.
 - 1. When the policy is being rewritten with us due to lapse or cancellation, they can only use the prior discount code that they had prior to cancellation. We do not allow you to re-shop the rate with us in order to provide a different discount code that may give a lower rate than currently offered.
 - 2. A purpose of this rule is to avoid situations where the insured gets a larger discount by cancelling and re-writing with Connect MGA.

Renewal Discount

A renewal discount will apply after six months in force with the company within the program during which no chargeable accidents occur. Claims that are not paid or payable will not count against a policyholder in the application of a renewal discount. If the policy had a pre-existing prior coverage discount or a renewal discount greater than the current renewal discount, that amount shall apply as the renewal discount (in lieu of the current renewal discount).

EFT Discount

A discount will apply if the insured elects to pay the installments using EFT from the insured's bank account, credit or debit card accounts. This discount can be added or removed during the policy term. We reserve the right to remove the EFT discount if the insured does not have adequate funds available.

Homeowner Discount

A discount will apply if the named insured or spouse owns and occupies an owned home. Home ownership includes condominiums, town homes, modular and mobile homes if the insured also owns the land that the modular or mobile home occupies. Proof of home ownership (i.e. copy of homeowners insurance declarations page, property tax assessment or mortgage payment coupon) must accompany the application for discount to apply to new business. If insured changes address during the policy term, new proof of ownership for the new residence is required. The insured's name and property address on the documentation showing ownership must be the same as the insured's name and mailing address on our policy. Renewal customers can also apply for this discount by submitting any of the above documentation.

Early Shopper Discount

An "Early Shopper Discount" applies to any policy where the customer/agent quotes it seven (7) days or more before the effective date of new policy. Agent must bridge to the company website to save quote date. Early Shopper Discount will be removed if the prior insurance was with Connect MGA or if there is no prior coverage.

UMPD with Collision Discount

A 5% discount to the UMPD rate is applied when Collision coverage is also purchased.

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 flat cancelled 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 faxed to Connect MGA within twenty (20) days of the effective date of coverage. Do not attempt to collect; any replacement funds may be used to rewrite the policy with a new effective date. No coverage will be afforded for the policy issued with the NSF down payment and the policy will not be reinstated once the fax requesting flat cancellation is received by Connect 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 is required).
- (c) New vehicle purchase in which possession of vehicle never occurred. Letter from dealer or bank on letterhead explaining that vehicle was not driven off the lot.

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. Underwriting Cancellations – Cancellations for Underwriting Reasons within the first 59 days of coverage will be calculated on a pro-rata basis and may only be considered for reinstatement if the underwriting reason 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. 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) The policy will be canceled no earlier than the day notice is received, unless proof of other coverage is provided.
- (d) In case of the insured's death, next of kin may request cancellation.

Refund – The minimum refund is \$1.00.

Endorsements

ONLINE ENDORSEMENTS

Policy changes should be processed online at connectinsurance.com. The endorsement will print in the producer's office along with the receipt for additional down payment and new ID Cards when applicable. When using remote e sign, ID cards will be available as soon as insured signs endorsement. Please IMPORT any required vehicle photos so they will upload to Connect MGA with the endorsement. If photos are not received, system may not allow the endorsement to be processed or vehicles are subject to a prohibited risk surcharge.

ENDORSEMENT EFFECTIVE DATE

Online endorsements will show effective date to be the date and time the endorsement is uploaded to Connect MGA. Endorsements not uploaded will show effective date to be 12:01 a.m. the date following receipt by Connect 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 submitted to Connect MGA and 12:01 a.m. the following date.

ENDORSEMENT MISCELLANEOUS

- A. E & O Carriers recommend agents obtain a signed request for any policy change.
- B. It is not necessary to remit copy of signed requests to Connect MGA for any endorsement other than those endorsements Connect MGA requires signed rejections, exclusions, etc. to process.
- C. Inspection and Photos are required at the time the endorsement is processed for vehicles added during the term other than Liability only.
- D. New photos will be required immediately at the time of endorsement if any of the following coverages are added to an existing vehicle regardless of whether photos / inspections were previously provided for the vehicle or not:
 - 1. OTC / Collision / Loan Lease Payoff Coverage
 - 2. Additional Custom Equipment
 - 3. Vehicles deleted in their entirety and then added back with OTC/COLL
 - 4. Uninsured/Underinsured Motorist
 - 5. PIP

ADDITIONAL PREMIUM ENDORSEMENTS

A payment is required for all additional premium endorsements. The minimum down payment required will be calculated by the system. Collect at least 17% of the difference between the 6-month premium before the change and the new 6-month premium. If the endorsement effective is less than 60 days from the original inception date collect 34% down. If insured pays down payment for endorsement yet fails to pay installment that has been billed, policy may remain canceled for non-payment.

RETURN PREMIUM ENDORSEMENTS

Return premium endorsements require no down payment. For direct-bill policies the credit will be applied reducing one or all of the future installments. If the endorsement is not being phoned in, advise the insured to make any payments as billed. Pending return premium endorsements do not take the place of any outstanding installment amount. Any return premium generated as a result of a change to a lessor financed policy will be returned to the leasing company holding the lease agreement.

SR-22 Financial Responsibility Filing

The following conditions will apply for any SR-22:

- A. Eligible on semi-annual policies only.
- B. Cannot file SR-22's for any state other than Texas.
- C. 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 in order 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.
- D. Connect MGA charges a one-time fee for processing a SR-22. The fee must be collected in advance, and it is not refundable.
- E. 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 Connect MGA, it will be applied to the policy balance.
- F. 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
 - Fax Number: 512-424-2848
 - ATTN: Safety Responsibility Bureau
 - 5805 N. Lamar
 - Austin, TX 78752
 - (512) 424-2600
- G. 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.
- H. SR-22a filings may be required in cases involving a judgment against a driver as a result of an at fault accident. Connect 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.

Eligible Vehicles

Private passenger automobiles, sport utility vehicles, pickup trucks, and vans are eligible as long as the load capacity does not exceed one (1) ton, the gross vehicle weight does not exceed 10,000 pounds, the vehicle is owned or leased by an individual, and all other eligibility requirements are met. Newly acquired vehicles that are considered "Ineligible" in these guidelines, yet meet the definition of a newly acquired vehicle per Texas Insurance Code 1952.059 and is purchased during the policy will by statute be considered an eligible vehicle and will be added to the policy at the request of the named insured. However, the policy may be non-renewed at the annual anniversary due to Ineligible vehicle.

Vehicles Ineligible for Liability Coverage

- A. Any vehicle **over 50 years old**. Antiques, obsolete models, rare and gray market vehicles. Any exceptions must be approved by the underwriting department prior to binding the policy. Documentation of the approval is required along with two (2) photos of the vehicle and the expiration date of the state inspection sticker.
- B. Vehicles registered or garaged out of state, including vehicles used by students attending school outside the state.
- C. Any risk where the number of vehicles to listed drivers greater than 2:1.
- D. Vehicles used in speed contest or racing, altered or "Hot Rod" vehicles.
- E. Police or emergency vehicles.

- F. Vehicles used for deliveries, for example: Courier services, pizza delivery, etc.
 - G. Vehicles used for public livery, for example: Taxis, Limousines, etc.
 - H. Suzuki Samurai, Kit Cars, Dune Buggies, or similar off-road vehicles.
 - I. Jeep CJ5 or CJ7 models prior to 1987.
 - J. Vehicles used in the business of a trucker.
 - K. Vehicles used in business except as described under **Business Use**.
 - L. Vehicles owned or leased by a corporation or partnership or trust.
 - M. Vehicles not titled to or not in the process of being titled to the named insured (or spouse) or other listed driver, as long as that other listed driver is a household member and the vehicle registration address is the same as the insured address. In cases where the process of titling the vehicle will take more than 30 days due to payment agreement, we will allow one vehicle on the policy to have the titled owner excluded until vehicle is paid for and title can then be transferred to policyholder or driver.
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- N. Any vehicle that has a TV screen or computer monitor visible to the driver. (This does not include navigation systems that come as standard equipment from the factory on certain cars.)
 - O. Flatbed Trucks/Pick-ups except for Artisan Use as described under **Business Use**.
 - P. We only allow a max of (1) one-ton sized or ¾ ton sized vehicle per policy.
 - Q. Mechanically altered pickup trucks, e.g. pick-up trucks with high suspension or lift kits.
 - R. Same eligibility applies for a newly acquired vehicle.

Vehicles Ineligible for Physical Damage Coverage

- A. Vehicles **over 15 model years old**. Any exceptions must be approved by the underwriting department prior to binding the policy. Documentation of the approval is required.
- B. Special vehicles with an official pace car insignia.
- C. Private passenger automobiles with a cost new of more than \$45,000.
- D. Vehicles with a value over \$45,000.
- E. Custom vans of any type or kind.
- F. Vehicles with existing damage unless prior underwriting approval is obtained, by submitting an inspection report and photos prior to taking an application.
- G. Salvage Titled Vehicles
- H. Vehicles that are not titled to the named insured or a resident household member that is a listed driver.
- I. Same eligibility applies for a newly acquired vehicle.

Any of the following vehicles: Aston Martin; Audi; Avanti; AM General H1 & H2; Bentley; Blue Bird; BMW (most models) Bugati; Chevrolet 4500, 5500, 6500, 7500, 8500; Isuzu Cab Chassis, 4500, 5500; Daewoo; Delorean; Dodge Challenger SRT Hellcat; Dodge Charger SRT Hellcat; Dodge Ram 4500 & 5500 & 6500 & 7500; Eagle; Ferrari; Ford Cutaway Van or Cab Chassis; Ford Mustang Shelby GT; Fiat X 1/9; Ford F450, F550, F600, F650, F700, F800; Ford Transit Cutaway and Cab Chassis; Chevy Camaro ZL1 & Z28; Corvette Z01 & ZR1; Cadillac CTS-V & STS & ELR & XLR & Escalade; Infiniti JX35 & QX60; Jaguar; Jeep DJ5 & CJ5 & CJ7; Lamborghini; Land Rover; Lexus ES & GS & LS & LX ; Lincoln; Lotus; Maserati; Mayback; McLaren; Mercedes (most models); Merkur; Peugeot; Plymouth Prowler & PB150 & PB250 & PW150 & Scamp pickup & D-50; Porsche (most models); Renault GTA & Medallion; Rolls Royce; Saturn Outlook & Relay; Sterling; Suzuki Samurai; Tesla; Triumph; TVR; Volkswagon Vanogon; Yugo

Vehicle Rating Symbols

We use ISO Rapa 2.0 liability and physical damage symbols. If a vehicle does not have a symbol assigned (possibly because it is new) then either the symbol associated with the same make and model from the prior year may be used or a symbol based on the ISO cost new table that is built into our rater. Symbols are validated every renewal.

The maximum allowable ACV on any one vehicle is \$45,000.
Same eligibility applies for a newly acquired vehicle.

Vehicle Profile

We use Carfax in order to rate vehicles based on miles driven, length of ownership, last owner state and severe problem indicator.

Business Use

Apply the Business Use surcharge to private passenger automobiles used in business or utility vehicles owned or leased by an individual and engaged in Artisan Use.

Artisan Use is defined as ONE utility vehicle used by the insured (not insured's employee) for business as a contractor or artisan to transport tools and supplies incidental to the insured's trade or business.

The vehicle is eligible for coverage, provided the vehicle is used in a construction or contractor's related trade, such as those listed below:

Carpentry	Plumbing	Glasswork	Floor Laying
HVAC	Electricians and Electrical Contracting	Plaster / Drywall	Landscaping
Masonry, Tile and Marble work	Swimming Pool Service	Painter	Home Health Care

Trades requiring toxic or flammable chemicals or liquids, or those requiring vehicle to travel to multiple job sites per day, are NOT ACCEPTABLE. Multiple Artisan Use vehicles are not eligible.

Ineligible Drivers

- A. Drivers with more than 9 points in the past three years.
- B. Drivers under the age of 21 with more than 5 points.
- C. Any driver with three or more at-fault accidents during the past three years.
- D. Drivers with more than one at-fault accident in the past 12 months.
- E. Drivers with 2 DWI or DUI convictions in the past 5 years OR Drivers with 3 or more DWI or DUI convictions regardless of date **OR** any one DWI or DUI conviction associated with an at-fault accident, regardless of the violation date.
- F. Any driver using the vehicle for delivery in the course of employment, such as courier services, pizza delivery, taxi/uber, etc.
- G. Entertainers or celebrities.
- H. Applicants who live in Mexico.
- I. Transient workers who do not live and work in one area in Texas.

- J. Mentally impaired drivers, if the disability affects the ability to operate a motor vehicle.
- K. Physically impaired drivers, if the disability affects the ability to operate a motor vehicle. If the car is equipped to offset impairment the special equipment required must be described.
- L. Drivers over age 75 unless they have a valid TX drivers license and no MVR citations or at fault accidents in the last 3 years.
- M. Drivers that have not cooperated with us in the investigation of prior claims.
- N. Drivers without an acceptable driver's license or approved identification.
- O. Drivers with a felony in the past 20 years or a misdemeanor in the past 7 years.
- P. Drivers that own a vehicle in which there was a claim arising from the repossession of that vehicle.
- Q. Drivers involved in any insurance fraud; example, having filed a claim with us, received claim proceeds, failed to fix the car and then file another claim for the same peril on the same vehicle.
- R. Drivers who live at an address other than the insured address (multi-household or multi-family policies) are not acceptable. Exception #1 to this is dependent children attending school or in the military in TX. Exception #2 is immediate and dependent family members that work during the week in other parts of TX. In both of these exceptions, the proper garaging zip for that individual's vehicle must be noted and properly rated on the policy prior to any claim.

Driver Classification

The spouse of each married driver must be included or excluded as a driver on the policy. Drivers that are classified as married, but do not have a rated spouse on the policy, will have a 'married driver with non rated spouse' surcharge applied (this surcharge will be waived for any active duty military member who provides military records which identify insured's marital status as married) Named insured on any policy must be at least 18 years of age.

Driver's License

New residents moving into Texas have ninety (90) days after entry into the state to secure a Texas Driver's License. Military Personnel are not required to obtain a Texas Driver's License.

This program will not accept drivers without a license, learners permit or state ID. A license and learners permit are rated the same. Foreign or international licenses/identification may be acceptable.

TEXAS ID - The "Texas ID" (NL) surcharge may be removed if a copy of a Valid Texas driver's license is received within thirty (30) days. A suspended TX ID will require an SR-22.

FOREIGN/INTERNATIONAL DL/MATRICULA – The foreign license surcharge may be removed if a copy of a Valid Texas driver's license is received within thirty (30) days. "INTERNATIONAL" refers to a permit issued by a foreign government that authorizes an individual to drive in that country. A Matrícula Consular, Cedula de Identidad or other foreign government issued ID may be provided in lieu of an international license and qualify for this surcharge. Any document that purports to be an International Driver's License or is provided by an international motor club or any other for profit non government entity will not qualify as a foreign license and that individual will be rated with the higher NL surcharge.

OUT OF STATE DRIVERS LICENSE - The “Out of State Driver’s License” surcharge may be removed if a copy of a Valid Texas driver’s license is received within thirty (30) days. “OUT OF STATE” refers to a driver’s license issued by a US state or US territory other than Texas.

TEXAS DRIVERS LICENSE - No surcharge is applied to drivers who present a valid Texas driver’s license or learners permit. Military Personnel are not required to obtain a Texas Driver’s License. “TEXAS” refers to a driver’s license issued by the State of Texas. A suspended non expired Texas driver’s license requires an SR-22. An expired Texas Driver’s license will be rated with the NL surcharge.

Drivers with a permanently revoked license are unacceptable risks and must be excluded for us to accept the risk.

NOTE: If multiple licenses are presented by an insured, priority is given in the following order: Texas license, Out Of State license, foreign license, International license. If no license is presented at the time of binding, a NL surcharge will be added to the policy. A driver may not incur surcharges for more than one type of license. If a copy of the Out of State License or Foreign ID is not submitted within 48 hours of binding, we will assume the driver is a higher than average risk and rate with the highest rated NL license class.

Exclusion of Named Driver

All persons in the insured's household age 15 or older must be listed on the application as a driver; otherwise, those persons must be excluded with endorsement 515A. If a Business Use surcharge applies, any employee of the insured must be listed on the application and be properly licensed; otherwise, employees must be excluded with endorsement 515A. The named insured may not be excluded, except with the approval of underwriting prior to submitting the application. All married insured's must give driver information for their spouse in the drivers section of the application, or exclude their spouse with a signed endorsement 515A. In order to exclude a spouse, a copy of the excluded spouse’s ID must be submitted or else the driver will be rated as single.

Household Search: Our system has a household search feature wherein we attempt to discover all potential household drivers. All drivers appearing through this search must either be rated or excluded. If you have good reason to delete any of these drivers, then make such request from the underwriting department through the Notes section of the policy application. If the agency takes upon themselves the responsibility of deleting any discovered driver AND that deleted driver is involved in a claim, then the claim will be forwarded to the agency’s E&O carrier.

Violations

Major Violations - 5 Points

- A. DWI, DUI, Education program required, or failure to undergo testing under implied consent law.
- B. Speed contest or racing.
- C. Fleeing from or attempting to elude a police officer.
- D. Leaving scene of accident, hit and run, or failure to stop and give information.
- E. Reckless driving or similar charge.

- F. Negligent homicide or any felony conviction arising out of the operation of a motor vehicle

Accidents - 3 Points

All accidents are considered if they are paid or payable claim, and are at-fault, unless proof is submitted with the application indicating that the insured was not at-fault. Contributory notations on the police report will be considered at fault. Points are added together for both a chargeable accident and any other violation occurring on the same date.

- A. Intermediate Violations - 3 Points
- B. Failure to yield to an emergency vehicle.
- C. Driving too fast for conditions, excessive acceleration, and failure to control speed or vehicle.
- D. Driving on wrong side of road, driving wrong way, or driving on the sidewalk.
- E. Failure to stop or remain stopped for a school bus.
- F. Displaying altered driver's license, or unlawful use of driver's license.
- G. Consumed alcohol while driving.
- H. Following too close.

Minor Moving Violations - 1 Point (First) 2 Points (Each Additional)

- A. Speeding.
- B. Disregarding any stop sign, red light, or any official traffic control device.
- C. Failure to yield right of way.
- D. Unsafe lane change.
- E. Illegal or Improper turn or backing.
- F. Driving while unlicensed or while license is suspended or revoked.

Minor Non-Moving Violations - 1 Point

- A. Expired license or failure to display license.
- B. Violated DL Restriction.
- C. Failure to use turn signal.

Unacceptable Operators - 12 Points

Drivers added during the policy period that would have been otherwise unacceptable. Policies with unacceptable operators will be marked for non-renewal

ANY ACCIDENT OR VIOLATION NOT LISTED, CALL FOR CLARIFICATION

Mandatory Endorsements

Policies offered under this program differ from the customary coverage provided under the Texas Standard Personal Auto Policy. Mandatory endorsements approved by the Texas Department of Insurance that significantly change the coverages from the Texas Standard Personal Auto Policy are attached to the policy jacket and shown by endorsement number on the Declarations page.

These Endorsements are NOT optional. Total premium shown on the application and on the Declarations page are based in part on the acceptance of these endorsements. These coverage differences should be explained to the insured prior to binding the policy. A disclosure form requiring the named insured's signature summarizes these differences; this form should be signed and a copy given to the insured. Coverage cannot be bound unless a signed disclosure form is included in the submission with the signed application to the company.

The mandatory endorsements include the following which will be shown on the Declarations page:

- A. OACM.PhysDam.001 Physical Damage Endorsement
- B. OACM.CrimeIntentRentProp.010 Criminal or Intentional Acts – Rented Property and Non-Owned Auto Endorsement
- C. OACM.AutoTerm.007 Automatic Termination Endorsement
- D. OACM.Storage.004 Storage Endorsement
- E. OACM.TempVeh.022 Temporary Vehicle Endorsement
- F. OACM.NRNWL.024 Non-Renewal Endorsement

Optional Endorsements

If the insured elects to purchase additional benefits, such as Loan Lease Payoff Coverage, and/or OEM Only for repair to their vehicle under Part D of the policy, one of both of the following must be attached to the policy.

- A. OACM.LoanPay.015a Optional Loan/Lease Payoff Coverage
- B. OACM.OEM.014 Optional Original Equipment Manufacturer Parts Endorsement

If insured elects not to pay the premium for Artisan Use, then the following endorsement is required.

- C. OACM.NoBusiness.020 Provides for No coverage for any Business Use

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.

Toll Free Phone: (855) 664-5050 Toll Free Fax (855) 664-5055

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.