



COMMONWEALTH CASUALTY COMPANY

UNDERWRITING/RULES MANUAL

ARIZONA Private Passenger Automobile Semi-Annual Program

New Business Effective: OCTOBER 11, 2024
Renewal Business Effective: NOVEMBER 28, 2024

COMMONWEALTH CASUALTY COMPANY

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The term “private passenger auto” means a four-wheeled passenger vehicle, owned or leased by the named insured or resident relative which is not used for public or private livery conveyance or for commercial purposes other than “Business Use”.

1. AGENT DUTIES, GENERAL RULES, AND REGULATIONS

The Agent must assure compliance with all our company's underwriting guidelines, procedures and requirements. The Agent is responsible that the entire application package, including exclusions and rejections as appropriate, are reviewed with the Applicant and approved by the Applicant. The Agent is also required to verify the Applicant is the named insured prior to submitting any documents.

Agents may obtain the named insured signature on our Arizona Automobile Insurance Application, UM/UIM Bodily Injury option form, UM Property Damage, Named Driver Exclusion form, and any other policy documents utilizing electronic signature (e.g., services offered by DocuSign, EchoSign or other electronic signature service providers). The Agent is responsible for providing the Applicant the opportunity to consent to electronic signature. The Agent is responsible for complying with all applicable state and federal e-signature laws.

If an applicant is adversely impacted by information contained in a consumer report, or our inability to pull a consumer report, we will generate a letter pursuant to the provisions of the Fair Credit Reporting Act (FCRA). A copy of the FCRA letter will be printed and provided to the applicant.

All applications should be uploaded to Commonwealth Casualty Company (“CCC” or “The Company”) via the internet. In the event of internet interruption, no new business can be bound. Business will resume as normal once internet connection is restored. With the current technology available to CCC we do not anticipate any internet interruptions.

1. If the application or endorsement contains Physical Damage, four (4) clear color photos showing all four (4) corners of the vehicle(s), along with an Inspection Report must be attached to the application. No photos are required if the vehicle(s) are purchased from an auto dealership the same day the policy is bound.
2. The application will be attached to and become part of the policy. Errors and omissions may result in denial of coverage.
3. All agents are required to abide by the Arizona Department of Insurance Rules and Regulations regarding the execution and binding of insurance policies. Any violations could result in exposure of the agency to an Errors and Omissions claim or even void the agency contract with The Company.
4. The company reserves the right to alter commission schedules with notice to the agency per the Agency agreement. Please refer to the Agency agreement for the exact commission schedule
5. All fees are fully earned and non-commissionable.

6. All cancellations by the company will be pro-rata. Insured cancels will be short-rated.
7. All cancellation requests must indicate the reason for cancellation.
8. If there is a quote discrepancy between The Company's system and a comparison rating system, the rate from The Company's system will be the correct rate. Please notify The Company of any discrepancies immediately, so we can take steps to correct the issue.
9. CCC forms that are required to be used for processing our business are available on our Internet site (www.commonwealthcasualty.com).
10. If the check in payment of new premium remittance is not honored by the bank, coverage will NOT be bound or exist even if a policy has been issued. For renewals and endorsements, the NSF fee will be charged but with the cancellation notice and grace period required under ARS § 20-1632.01. Any checks returned NSF would incur a processing fee. See Fees section for fee amount.
11. Policies can be written for a named insured who is not the registered/titled owner. The registered/titled owner must be rated or excluded on the policy.
12. At the time the application is executed the agent must provide a copy of the signed application to the insured.
13. All bills, endorsements, cancellations, reinstatements and renewals will be mailed directly to the named insured. Cancellations, reinstatements and declaration pages will also be sent to the lien holder(s) and additional insured (if applicable).
14. Uploaded policies will have down payments made via Electronic Funds Transfer and will be swept from the designated account within 72 hours of the upload.
15. The following documentation (if applicable to the policy) must be kept in your Agency's file for a minimum of Seven (7) years after policy expiration or cancellation, or for the amount of time prescribed by all applicable laws and regulations, whichever is greater, and, as stated above, be available for Company review as requested:
 - Completed and signed Automobile Insurance Application, including any signed rejection and exclusion forms.
 - A copy of the ID for any driver rated on commonwealthcasualty.com with an international driver's license.
 - Signed driver exclusion form(s)
 - Proof of prior insurance coverage.
 - Proof of multi policy.
 - Any document proving accidents were not-at-fault.
 - Signed and dated Vehicle Inspection Form(s) or photographs as specified below.
 - Credit Card payment/Recurrent EFT authorization form.
 - Verification for Military discount.
 - Verification for Good Student discount.
 - Verification for Association Discount.
 - Consent form to Conduct Business Electronically.
 - Odometer mileage photo (if requested).
 - One clear photograph of the VIN plate located on the dash or door.

The Company reserves the right to inspect all applicant files and/or require the agent to submit copies if requested by the Company for audit and compliance purposes.

2. ROUTINE AUDITS

Routine audits may be performed on random files. You will be required to provide file documentation to a Company representative during an on-site visit or remotely. You will receive a list of required documentation that must be submitted to our office within a specific time frame. Failure to submit the documentation will result in a failed audit. Failed audits may result in termination of the agency agreement.

3. BINDING AUTHORITY

A risk may be bound, if it is not on our Unacceptable Risks list, provided:

Internet Binding and Access

1. The signed application and copy of the named insured's Driver's License MUST be kept on file at the agency. The original documents are subject to company audit and the agent must be able to produce any requested documents within 48 hours of the request;
2. It involves a type of vehicle, coverage, and risk that meets our underwriting guidelines;

A risk may not be bound during Severe Weather or State of Emergency:

1. When a State of Emergency is declared or the National Weather Service issues a hurricane, tornado, hail, or other severe weather watch or warning, and the storm is within 100 miles of the location of the proposed risk, coverage acceptance is limited as follows:
 - a. No new business policies may be written or bound and no in-force policies may be endorsed, during active wild fires, hail storms, tornadoes, hurricanes, or comparable severe weather.
 - b. Renewals of the company's expiring policies may be written in the normal manner providing there is no increase in exposure to the company.
2. Normal binding authority will resume twenty-four (24) hours after the state of emergency or watch and/or warning is lifted by the National Weather Service, providing there is no forecast of an imminent re-occurrence.

4. BROKERING

CCC does not allow brokering of business. You may not release our underwriting and rating materials to other parties or accept applications from other agents for risks they have underwritten or will service outside of your office.

5. UNDERWRITING RULES

1. Only 6-month policies will be written.
2. Failure to list all drivers or licensed members of the insured's household may result in a denial of coverage on the basis of a material misrepresentation.
3. A Driver Exclusion, signed by the named insured, is required for any member of the household age 14 or older that is not listed as a driver or any member of the household with a suspended or revoked license, not listed as a driver.
4. We will insure two more vehicles than the number of drivers in the household. (Exceptions at UW Manager's discretion).
5. We will not accept more than one policy per household. (Exceptions at UW Manager's discretion).
6. Vehicle usage and mileage log must be included for all vehicles on the application. Use < 20 miles or Use > 20 miles is based on total roundtrip mileage.
7. Motor Vehicle Reports (MVR's), CLUE reports, Insurance Score, Vehicle History report, and Household residents reports may be obtained for drivers on new business, add driver endorsements and renewal business.
8. All premiums for each coverage will be rounded to the nearest whole penny per coverage.
9. Pick-up trucks and mini-vans are acceptable, but Panel vans are not acceptable for any coverage. (See Unacceptable Risks #6).
10. Physical Damage coverage must be written with Liability coverage.
11. Photos are required for all vehicles with Physical Damage coverage. A photograph of should be taken of each corner of the vehicle which in total will show the entire exterior of the vehicle.
12. In order to accept any driver over the age of seventy-five (75), a detailed medical statement signed by a physician must be submitted with the application, and the MVR must show no violations. This applies to new business and any additional drivers (over age 75) added to the policy. We will allow the applicant 20 days from the effective date to obtain the Medical Statement.
13. Out of state drivers license (issued by a U.S. State) will be accepted. See rating manual for factor.
14. Out of country ID / non-US drivers license will be accepted, however, the license must be issued by a foreign government. Expired international licenses are accepted. See rating manual for factor.
15. Temporary driver permits will be accepted with a surcharge. See rating manual for factor.
16. Drivers licensed under (3) years will be accepted with a surcharge. See rating manual for factor.
17. Unable to obtain an MVR will be accepted with a surcharge. This surcharge does not apply to drivers with a foreign government license. See rating manual for factor.
18. Business use is accepted with a surcharge for the following occupations: Ex. Real estate professionals, home nurses, physical therapists and occupational therapists. See Unacceptable risks #12 & 13. (Exceptions at Underwriting Manager discretion). See rating manual for factor.

19. Verification of insurable interest in the vehicle must be retained for every vehicle with physical damage coverage.
20. Failure to comply with underwriting requests for information (i.e., proof of insurable interest, adding/excluding a driver, photographs, etc.) on an existing in force policy may result in a surcharge to all coverages and all vehicles. See rating manual for factor.
21. Ridesharing use for a Transportation Network Company that has been issued a permit pursuant to A.R.S. section 28-9552, is accepted with a surcharge. The applicant must disclose this type of usage for each vehicle and all drivers who use the vehicle while logged into the Transportation Network Company's network must be active drivers listed on the Declarations Page. The drivers must also have been previously approved to participate in the Transportation Network Company's ride sharing program. The Transportation Network Company endorsement must be attached to the policy for coverage to apply. See rating manual for factor.

6. PAYMENTS

1. Make all payments to: Commonwealth Casualty Company.
2. If the underwriting reports disclose undeclared violations, accidents, or drivers, the policy will be issued with correct premium or uprated, if the information is discovered within the first 60 days of the policy inception.
3. Six (6) Month Policy:

Payment Plan	Down Payment	1st Installment Due
6 Pay Plan (Down + 5 Installments)	16.67% Down	22 Days (30 thereafter)
6 Pay Plan (Down + 5 Installments)	20% Down	30 Days (30 thereafter)
Pay in Full*	100% Down	N/A; includes * PIF Discount

The policy will cancel after the grace period if no payment has been made and the policy cancellation will be effective the date the notice of cancellation is mailed to the policyholder. For the first payment of a renewal, the (7) day grace period will be provided after the expiration date of the current policy term.

4. Payments received over ten dollars less than the amount billed may be declined and a cancellation notice will be generated.
5. The policy will be cancelled for non-payment after the (7) day grace period and is effective the date the notice of cancellation is mailed to the policyholder.
6. The policy will be cancelled and notice will be mailed if the payment is not received by the date on the cancellation notice at 12:01 AM.
7. Payments received in excess of the amount due will be applied to the policy balance.
8. Return premium endorsements will reduce the policy balance.
9. Additional premium (AP) endorsements – The down payment for an endorsement that generates additional premium will be calculated as follows: The down payment on the additional premium will be the pro- rated amount due for the current billing cycle. If the effective date for the endorsement does not allow enough time for the new installment amount to be billed for the following month, the down payment will be the pro-rated amount due for both the current billing cycle and the following month's installment.
10. All payments posted by agent into the CCC system shall be deposited into agent's bank account and swept within 3 days from inception of policy.
11. Renewal offers will be sent 48 days prior to policy expiration.
12. The company may introduce, vary and/or remove certain pay plans from the product line anytime as necessary. Only the pay plans shown during quoting will be available for use in your area. We charge an installment fee for each payment and renewal down payment.
13. An Assisted Payment Convenience Fee will be charged on all forms of installment payments processed with the assistance of Agents or Customer Service Representatives. This fee is not charged on installment payments made when the policy is on automatic payments. There is also no fee when the insured elects to make a payment by paper check with an agent or by mail. The insurance application will notify and obtain written consent for this fee.

7. REISSUES

1. On a policy cancelled for non-payment, the policy may be reissued with a maximum lapse in coverage of 30 days to maintain transfer and renewal discounts.
2. The policy will be adjusted to reflect the correct premium if the policy was not reviewed by underwriting previously or from any new information obtained during the reissue process.
3. After 60 days, the policy must be rewritten if approved by underwriting.
4. The policy may be cancelled if the correct amount to reissue the policy has not been paid.
5. Policies cancelled for any other reason, i.e., underwriting reasons, flat cancels, etc... May NOT be reissued and underwriting approval must be obtained prior to rewriting the insured.
6. All reissues are subject to an underwriting review and may be cancelled at underwriting's discretion.
7. CCC may collect earned premium due on previously cancelled policies prior to reissue.

8. FEES

Note: All fees are fully earned and are excluded from written and earned/paid premium calculations used to determine commissions.

6-Month Policies

- **Policy/Renewal Fee:** \$30.00 per six-month policy term.
- **Reissue Fee:** \$15.00 on all reissued policies that cancelled for non-payment.
- **SR22 Fee:** \$25.00 per filing including at renewal.
- **Standard Installment Fee:** \$10.00 per installment.
- **EFT Installment Fee:** \$7.00 per installment (recurrent payment by insured credit card).
- **Arizona Theft Authority Fee:** \$0.50 per vehicle, per term. This fee is paid to the State of Arizona.
- **Non-Sufficient Funds (NSF) Fee:** \$25.00 for payments declined for any reason.
- **Assisted Payment Convenience Fee:** \$3.95

9. ELECTRONIC FUNDS TRANSFER (EFT)

Insureds with 6-month policy terms will have the option to pay via electronic funds transfer or EFT. EFT policies are automatically renewed and will only be cancelled by a written request from the insured. The EFT information will be saved in the system for reinstatements and reissues. A newly signed EFT authorization form will be required for any reissues.

Should the insured have their policy cancelled twice for NSF during any six (6) consecutive months, the Company will revoke their EFT eligibility for one (1) year. EFT is also cancelled when the following occurs: the policy is cancelled, an invalid bank account number, the card on file is declined twice during the policy period for any reason or a lapse notice is generated. The installment fee is then raised from the EFT Installment Fee to the Standard Installment Fee. See Fees section for fee amount.

10.PAY BY PHONE (CREDIT, DEBIT, ELECTRONIC CHECK)

CCC will accept credit and debit card payments for new business down payments and installments. For new business, agents can pay on the website using the insured's credit or debit card, and the commission will be deposited into the agents account, or a check will be sent, 20 days after the month's end. The insured can pay each installment by calling into CCC and making the payment over the phone. The normal installment fee will apply.

11.DECLINED PAYMENTS

If the check or credit/debit card in payment of new premium is not honored by the bank, coverage will NOT be bound or exist even if a policy has been issued. For endorsements, the NSF fee will be charged and a cancellation notice will be generated in accordance with the grace period required in ARS § 20-1632.01. Any payments not honored by the bank will incur an NSF processing fee. See Fees section for fee amount.

12.SWEEP ACCOUNTS

In the event CCC sweeps the agents account and inadequate funds are available to cover transmittals in hand that are due:

- The agent will be called to advise that the funds must be available to CCC within 24 hours.
- If funds are NSF on the first sweep attempt, there will be no second sweep attempt of the agents account. An insufficient funds charge will apply. See Fees section for insufficient funds amounts.
- If funds are NSF, then a CERTIFIED CHECK of all outstanding funds must be delivered to CCC within three (3) business days.
- If funds are not received within three (3) business days, they will be deducted from the agent's commission and the agents contract will be subject to termination at the Company's discretion.

13.RETURN PAYMENTS / NSF – AGENCY

Agency checks will NOT be presented twice to the bank. Should they be returned for insufficient funds the first time:

- The agency will be called to advise that a CERTIFIED CHECK must be delivered to CCC within three (3) business days to replace the returned check. A notice with the same information will be faxed to the agent.
- If after three (3) business days, the agent does not replace the returned check, the amount of the returned check will be deducted from the agent's commission.
- Failure to comply with these requirements may cause the agency contract to be terminated.
- If two (2) agency checks are returned within 6 months of each other or if three (3) agency checks are returned within twelve (12) months of each other, the Company will immediately terminate the agency contract for non-performance.

14.CANCELLATIONS

Policies may be cancelled as follows:

The named insured or their agent, upon his/her request, may cancel a policy by:

1. Providing notice to the Company stating when thereafter the cancellation should be effective. The effective date of the cancellation will be no earlier than the date the above information is received by CCC. A cancellation by the named insured or their agent will be short rated at 90% of pro-rata. Exceptions to short rate will be at Underwriting Manager's discretion.
2. A Cancellation Fee of up to \$20.00 will apply if a policy is cancelled for failure to pay any premium when due.

Cancellations for reasons other than non-payment require a (10) day notice of cancellation with a proof of mailing.

Cancellations for non-payment of premiums are after the (7) day grace period from the premium due date and are effective the date the notice of cancellation is mailed to the policyholders.

Cancellation or non-renewal notices must be mailed to the last known address of the insured and must contain the reason(s) for cancellation or non-renewal and notice of eligibility for the state's assigned risk plan.

Non-renewals require a (45) day notice with a proof of mailing.

15.RENEWAL PROCEDURES

The Agent must enter all renewal payments into our Internet site in order to bind coverage. The Agent is only authorized to issue a CCC computer-generated ID card. Otherwise, if the renewal is mailed, coverage will be effective the date after postmark. After a lapse of 60 days, a new application is required. There will be no coverage during the lapse period.

A check or money order for payment of the premium must be attached to each premium payment notice and must be received at the CCC office within 7 days of the due date.

16.FINANCIAL RESPONSIBILITY FILINGS (SR-22)

SR-22 is available for 6-month policy terms only. The Company will submit a copy of the SR-22 to the Arizona Department of Motor Vehicles. SR-22 filings will be made for the named insured and any listed drivers on the policy for the State of Arizona and International licenses only. The person requiring the filing cannot be excluded from coverage. CCC will file SR-26's if the policy is cancelled for any reason. SR-22s are subject to underwriting review prior to filing. An SR-22 surcharge will be applied to any driver who requires an SR-22.

17.EXCLUSION OF DRIVER

The Named Driver Exclusion form must be signed and dated by the insured. The Exclusion is required on each person, residing with applicant, who is fourteen (14) years of age and older, if not rated as a driver of the vehicle(s). Underwriting may request a Named Driver Exclusion form to be signed for any other persons CCC deems an unacceptable underwriting risk. The Exclusion form must include the date of birth of the Excluded Driver(s). Any request to delete an excluded driver from the policy or to lift the exclusion and rate the driver on the policy must first be approved by CCC's underwriting department.

18.UNINSURED & UNDERINSURED MOTORIST (UM/BI) & (UIM/BI) COVERAGE REJECTIONS

The insured must be offered uninsured and underinsured motorist bodily injury coverage at new business. An offer will also be mailed at every renewal, reissue, and whenever there is an endorsement to the policy. The same limits offered for bodily injury will be offered for uninsured and underinsured motorist bodily injury.

19. COVERAGES

Bodily Injury (BI) Liability:

\$25,000/person \$50,000/accident

\$30,000/person \$60,000/accident

\$50,000/person \$100,000/accident

\$100,000/person \$300,000/accident – Not Available for New Business

BI coverage is mandatory on all automobile insurance policies.

Minimum limits by law require at least \$25,000/person \$50,000/occurrence for BI.

All vehicles on a multi car policy must carry the same liability limits.

Property Damage (PD) Liability:

\$15,000/accident

\$20,000/accident

\$25,000/accident

\$30,000/accident

\$50,000/accident

\$100,000/accident – Not Available for New Business

PD coverage is mandatory on all automobile insurance policies.

Minimum limits by law require at least \$15,000/occurrence for PD.

All vehicles on a multi car policy must carry the same liability limits.

Uninsured Motorist Bodily Injury (UM/BI):

\$25,000/person \$50,000/accident

\$30,000/person \$60,000/accident

\$50,000/person \$100,000/accident

\$100,000/person \$300,000/accident – Not Available for New Business

Per Arizona law, UM/BI coverage is offered to all insureds. This offer need be made only once and is not required for subsequent renewals.

UM/BI limits must be equal to or less than the BI/Liability limits.

UM/BI limits must be the same on all vehicles for a multi-car policy.

Underinsured Motorist Bodily Injury (UIM/BI):

\$25,000/person \$50,000/accident

\$30,000/person \$60,000/accident

\$50,000/person \$100,000/accident

\$100,000/person \$300,000/accident – Not Available for New Business

Per Arizona law, UIM/BI coverage is offered to all insureds. This offer need be made only once and is not required for subsequent renewals.

UIM/BI limits must be equal to or less than the BI/Liability limits.

UIM/BI limits must be the same on all vehicles for a multi-car policy.

Uninsured Motorist Property Damage (UM/PD):

\$2,500/accident

\$3,500/accident

UM/PD may be written on an optional basis.

UM/PD limits must be the same on all vehicles for a multi-car policy.

Will waive collision deductible when carried on a vehicle with comp/coll and at fault party has no insurance.

Medical Payments:

\$1,000/person

Medical Payments coverage may be written on an optional basis.

This coverage is only available with BI/PD Liability coverage and all vehicles being insured must apply for MP coverage if the coverage is to be written.

Comprehensive & Collision:

Deductible options: \$500, \$750, or \$1000

Rental Reimbursement Coverage:

\$20/day, \$600/occurrence or

\$30/day, \$900/occurrence

Rental coverage is optional.

Accidental Death & Dismemberment:

\$2,500 per covered event

\$5,000 per covered event

\$10,000 per covered event

Accidental death and dismemberment coverage (AD & D) provides coverage if the named insured dies in a covered event such as a car or plane crash. AD & D also provides coverage in cases where the named insured loses a limb; loses sight in one or both eyes, and if the named insured loses a thumb and index finger on the same hand, as a result of a covered loss.

Physical Damage:

- Physical Damage coverage (Comprehensive & Collision) is optional. Written rejection of the coverage is not required.
- This coverage will only be accepted with liability coverage.
- Comprehensive and Collision must be written together.
- Glass coverage is available at an additional surcharge to comprehensive coverage.
- Physical Damage premiums are rated according to CCC symbols.
- Always apply the highest rated driver to the highest rated vehicle.
- Maximum vehicle age thirty (30) years.
- For rating of newly announced models that have not been assigned to CCC symbol, use the CCC symbol of the latest corresponding Model Year.
- Maximum liability for Comprehensive and Collision is the cost to repair the vehicle or actual cash value (ACV), whichever is less. Only factory installed original equipment is covered under Comprehensive and Collision coverage (IE. Custom Equipment, Non-OEM, aftermarket parts) are not covered.

Glass Coverage:

At the option of the named insured and in consideration of payment of additional premium applicable to an auto described in the Declarations Page, we will repair or replace all damaged glass without regard to any deductible. The damage to the glass must arise only out of a comprehensive loss covered by this policy. Glass Coverage as used in this policy means the glass used in the windshield, doors and windows and the glass, plastic or other material used in the lights of a motor vehicle. All other terms and conditions of this policy remain unchanged. The company will choose the glass repair facility as prescribed by contract when this coverage is used.

Physical Damage Coverage Restriction:

The Physical Damage portion of the policy is written on a restrictive Named Driver policy form. All drivers regardless of residency must be disclosed and listed on the declarations. Physical Damage coverage will not be afforded to unlisted drivers.

The named insured has the option to purchase the removal of this restriction. A surcharge on collision coverage will apply. This will remove the restriction for non-resident permissive drivers. All other conditions of the policy will remain the same. See rating manual for factor.

20.RATING DISCOUNTS

Note: Discounts requiring documentation will be added the date the documentation is received by CCC. Discounts cannot be backdated.

- **Transfer Discount** – a transfer discount may apply to the policy when the named insured can provide proof of prior insurance coverage from a company other than Commonwealth for the six months immediately preceding the effective date of the policy and has not had a lapse in coverage of more than 30 days. Proof of the prior insurance coverage is required with the application and the binding of coverage. Acceptable proof of prior insurance includes a letter of experience on prior carrier letter head, company issued Declaration page, applicable renewal offer, or ID card with an expiration date within 30 days of the effective date of the Commonwealth policy.
- **Agency Internal Transfer Discount** – A transfer discount may apply to the policy when the named insured is eligible for the prior coverage discount as defined above and the prior coverage was written by the same agency. Proof of prior insurance coverage written by the same agency is required.
- **Multi Policy Discount Level I** – A discount may apply to the policy when the named insured submits acceptable proof of another line of insurance. Acceptable lines of insurance are Homeowners, Renters, and Mobile Home insurance.
- **Multi Policy Discount Level II** – A discount may apply when the named insured submits acceptable proof of another line of insurance purchased through the same agency that has written the auto policy. Acceptable lines of insurance are Homeowners, Renters, and Mobile Home insurance.
- **Good Student Discount** – A discount will apply to the vehicle a driver between the age of 16-24 is rated on when the driver has a GPA of 3.0 or higher or has made the Dean's list during the previous quarter or semester. The discount applies only to full time students who have not had an AT FAULT accident or more than 1 minor violations within the last 3 years. Verification of full-time status and GPA/Dean's list must be provided.
- **Military Discount** – Applies to drivers who are in active military duty and are an E-3 or above or are retired Military officers. A valid military ID must be shown, and an affidavit must be completed and submitted for the discount to apply.
- **Renewal Discount** – A renewal discount may apply to the policy when the policy has renewed with Commonwealth. This discount is in addition to the Transfer discount. This discount will be removed if the policy has a lapse of more than 30 days.
- **Driver Adjustment Factor** – A discount or surcharge may apply to all drivers based on number of renewals and driver points.

- **Association Discount** – A rate differential may be applied at renewal to the total policy premium if the Named Insured is an active member of associations, societies, employers, organizations, or credit unions approved by the company at the time this differential is initially applied to the policy.
- **Advanced Purchase Discount** – A discount may be applied when the policy is purchased at least 3 days prior to the new business effective date. The discount will not be applied when proof of prior insurance is not provided. This discount will not be applied when the agency internal transfer discount is also applied.
- **Paid in Full Discount** – A discount may be applied to all business that pays the total policy premium with the application or renewal offer. Full payment must be made at the time of the transaction for the discount to apply. This discount applied to all policies with a term of 6 months or greater. It does not apply to the maximum discount calculation.
- **Electronic Fund Transfer (EFT) Discount** – A discount may be applied to all business that are enrolled in Electronic Funds Transfer (autopay).
- **Defensive Driver Discount** – Provided the vehicle is classified as a private passenger automobile and the principal operator is 55 years of age or older, they are eligible to receive this discount if they have completed a state approved Motor Vehicle Accident Prevention Course within the most recent 36 months. The discount shall only apply to the auto operated by the principal driver who has qualified, and will only apply once per auto regardless of the number of operators who may qualify. The discount shall not apply if the qualified driver has been convicted of violating any motor vehicle laws within the last twelve (12) months or to any principal driver who has had their driver's license suspended or revoked within the previous 36 months. A certificate of course completion must be provided for each driver eligible.

21.VEHICLE USAGE OPTIONS

Use of Vehicle

Pleasure
Drive to Work/School < 20 Miles round trip
Drive to Work/School >= 20 Miles round trip
Business
TNC/Rideshare

22.ANNUAL MILES DRIVEN BREAKDOWN

Annual Mileage Bands

0-2000	11001-12000	21001-24000
2001-4000	12001-13000	24001+
4001-6000	13001-14000	
6001-8000	14001-15000	
8001-9000	15001-17000	
9001-10000	17001-19000	
10001-11000	19001-21000	

23.ENDORSEMENTS

All endorsement requests must be entered into our Internet Endorsement site - www.CommonwealthCasualty.com - and the appropriate premium collected. The endorsement declarations page must be signed by both the Named Insured and Agent and archived by the agent.

1. There will be a surcharge for any Unacceptable Risk. See rating manual for factor.
2. Failure to comply with underwriting requests for information on an existing in force policy may result in an Unacceptable Surcharge to all coverages and all vehicles. See rating manual for factor.

24.RISKS REQUIRING ADDITIONAL DOCUMENTATION FOR ACCEPTABILITY

1. All persons with Epilepsy, Stroke, Heart Attack, Diabetes, Loss of Eye, and/or Cerebral Palsy must submit a CCC “Physician Health Statement Form” signed by a physician with the application.
2. All persons with a loss of limb must submit proof of compensatory vehicle modification. (Proof is written/typed statement signed by the insured).
3. All applications with drivers who have attained their seventy-five (75th) birthday must be accompanied by a “Physician Health Statement” completed and executed by a medical physician certifying the seventy-five (75) or older driver to be mentally and physically capable of operating a motor vehicle on public roadways without endangering the public.

25.UNACCEPTABLE RISKS

1. Applications without the insured's physical garaging address for vehicle(s).
2. Drivers under the age of 21 without a valid U.S. driver's license.
3. Vehicles over thirty (30) model years old for liability coverage and physical damage coverage (exceptions at underwriting manager's discretion).
4. Campers, dune buggies, racing vehicles, taxi cabs, emergency vehicles, delivery or livery vehicles, kit or antique cars, customized or modified vehicles, conversion vans, flat or stake- bed pickups, vehicles with suspension modifications; for any coverage.
5. Students attending school outside Arizona.
6. Pickups or vans with a load capacity over 3/4 ton for any coverage. One (1) ton vehicles and panel/cargo vans and trucks, flatbed, and stakebed vehicles are unacceptable.
7. Drivers with a suspended Arizona license are acceptable only with the appropriate SR-22 filing necessary reinstatement. Revoked licenses are unacceptable. CCC underwriting may follow up to ensure the license has been reinstated.
8. Any person living or working in Mexico.
9. Professional athletes and celebrities.
10. Any driver with 3 or more losses in the past 36 months, where the insured was at least 50% responsible for the accidents.
11. Trucks hauling gasoline, fuel oil, liquefied petroleum, gas or explosives, or any tanks.
12. Taxicabs, daycare vans, public or private livery cars, ambulances, police, fire department, or any emergency vehicles, mail and/or newspapers, collections or delivery vehicles, Driver training cars or racing vehicles.
13. Vehicles that are not principally garaged at the garaging address on file at least 6 months of the year.
14. Unlicensed drivers (except those in the process of obtaining a license).
15. No drivers with accidents or violations in excess of 14CCC within the past 36 months.
16. No vehicle equipped with power/manual winch or fifth-wheel conversions.
17. No driver under age eighteen (18) as a named insured.
18. Any driver with a combination of two (2) or more Driving Under the Influence of Alcohol (DUIA), Driving Under the Influence of Drugs (DUID), Driving Under the Influence of Narcotics (DUIN) or Refusal to Submit.
19. A surcharge will be applied to all premiums for any unacceptable risk. This includes, but is not limited to, unacceptable vehicles, drivers or if the insured moves out of state. See rating manual for factor.
20. A surcharge is applicable to all Coverages when a driver or vehicle listed under "UNACCEPTABLE RISKS" is added to the Policy already in force. See rating manual for factor.
21. Passenger Vans with seating capacity of twelve (12) or more seats.
22. Vehicles not registered or titled in the United States of America.
23. Any driver with more than 1 major violation (6 CCC point violations).
24. A policy with more than 8 drivers or more than 6 vehicles (exceptions at underwriting manager's discretion for review of additional policy being created to accommodate driver/vehicle max).
25. Any vehicle which has been substantially modified in appearance or performance, or mechanically altered; i.e. high suspension or lift kits (greater than 6 inches).

26. The following are not acceptable except as a replacement vehicle. Unacceptable replacement vehicles will be subject to a surcharge. See rating manual for factor.
- a. All vehicles with an ACV of \$80,000 or higher for all coverages, including Liability (except as replacement vehicles).
 - b. All vehicles with an ACV of \$50,000 or higher (except as replacement vehicles) with Physical Damage Coverage.
 - c. Physical Damage without Liability.
 - d. Vehicles over thirty (30) years old. Exceptions at UW manager discretion.
 - e. Vehicles with pre-existing and unrepaired damage. Exceptions at UW manager discretion. Clear photographs of any existing damage on the vehicle must be obtained.
 - f. Vehicles with rebuilt titles, salvage titles or grey market vehicles. Exceptions at UW manager discretion.
 - g. Vehicles titled to a legal entity or DBA-exceptions at UW manager discretion.
 - h. All vehicles over $\frac{3}{4}$ ton. Exceptions at UW manager discretion.
 - i. Conversion vans. Exceptions at UW manager discretion.
 - j. All of the following in the Unacceptable Vehicles section below (Call CCC underwriting if in doubt):

26.UNACCEPTABLE VEHICLES

All models listed below are completely unacceptable under All coverages:

MAKE	Models or Trims Unacceptable for All Coverages
Acura	NSX
AM General	Hummer H1
Aston Martin	All Models
Audi	R8, RS models
Avanti	All Models
Bentley	All Models
Bertone	All Models
Bluebird	All Models
BMW	M Series, Z8, 7 Series, 8 Series, i3, i4, iX
Bricklin	All Models
Bugatti	All Models
Buick	Grand National
Cadillac	STS, Escalade
Chevrolet	Express Cargo, Orlando, Silverado 3500, 4500, Trax, Bolt, Volt
Chrysler	Prowler
Coda	All Models
Daewoo	All Models
Daihatsu	All Models
DeLorean	All Models
Dinan	All Models
Dodge	Viper, Challenger Hellcat, Challenger, Charger Hellcat, Sprint, Stealth RT, Rams 3500 and higher Trims- Power Wagon, Laramie, Limited, Laramie Longhorn, Scat Pack
Eagle	2000 GTX
Ferrari	All Models
Fiat	X1/9, Spider
Fisker	All Models
Ford	Cobra Models, GT, Saleen Models, Mustang Shelby GT500, Mustang V6, F150 SVT, Transit, F-350, F-450, Trims- Tremor, Roush
GEM	All Models
Geo	Tracker
GMC	Tracker, Savana Trims- AT4, Sierra 2500, Denali, 3500 series Trucks and Higher
Honda	Insight
Hyundai	IONIQ
Infinity	QX80
Isuzu	Amigo
Jaguar	XK Series, F-Type

Jensen	All Models
Kia	Borrego, EV6
Lada	All Models
Laforza	All Models
Lamborghini	All Models
Lexus	LFA
Lotus	All Models
Maserati	All Models
Maybach	All Models
McLaren	All Models
Mercedes- Benz	AMG Models, G class, SL class, SLR, Sprinter, 600 Class, GL class, S class, EQS, EQB
Morgan	All Models-ALL
Nissan	GT-R, NV, Titan Platinum Reserve, Titan Pro 4X, Titan SL, Titan XD, TAMA, Hypermini, Leaf, ARIYA
Pantera	All Models
Pinanfarina	All Models
Plymouth	Prowler
Porsche	All Models
Polestar	All Models
Ram	Promaster, 3500 Truck series and Higher, Trims- Power Wagon, Laramie, Limited, Laramie Longhorn
Renault	All Models
Rolls-Royce	All Models
Rivian	All Models
Ruf	All Models
Shelby	All Models
Smart	All Models
Sterling	All Models
Subaru	Brat, STI models, Solterra
Suzuki	Samurai, Sidekick, X90, JIMNY
Tesla	All Models
Think	All Models
Toyota	Supra, Celica GT, Tundra Platinum, Tundra 1794, Tundra TRD Pro, Tundra Limited, FJ Cruiser
Triumph	All Models
TVR	All Models
VPG	All Models
Wheego	All Models
Yugo	All Models

All Other	Fuel Cell Vehicles, Pickup Trucks Over 1-Ton And All Other Vehicles 1-Ton Or Greater. Dually trucks, any limited editions vehicles, Chassis only Models, Cargo Vans, any Electric Models
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All models listed below are completely unacceptable for Physical Damage coverages:

MAKE	Models Unacceptable for Physical Damage
Acura	RDX
Audi	S models
BMW	6 Series
Buick	Enclave
Chevrolet	Corvette, Camaro ZL1, Camaro SS, Monte Carlo SS
Datsun	Z models
Dodge	Raider
Jeep	Gladiator Mojave
Land Rover	All Models
Lexus	LS Models, ES Models, GS Models
Mazda	RX7
Mercedes- Benz	CL class
Nissan	300XZ, 350Z, 370Z
Pontiac	Firebirds
Volkswagen	Thing
Make and Trims	Trims or configurations on Models Unacceptable for Physical Damage
Ford	Harley Davidson, King Ranch, Platinum, Limited, Lariat, Raptor, Supercrew; F-150, F-250
Chevrolet	LTZ, High Country, Limited, Rally, Z71; Silverado 1500, Silverado 2500
Van Conversions	All Makes and Models

27.VIOLATIONS

1. Point Values for Accidents and Traffic Infractions: Point surcharge for all applicants will be determined by Motor Vehicle Records and CLUE reports, and from the Company's own records. Point surcharges will only apply to convictions. If a violation is due to expire from the MVR within 30 days of the effective date, said violation will be waived. Use the conviction date to determine when to apply points).
2. Determine the rating group by the total points for the past 36 months for all traffic violations. If multiple violations arise out of one occurrence, charge only for the item with the most points. Assign the highest rated driver to the highest rated car and the next highest rated driver to the next highest rated car, and any additional drivers and cars accordingly.
3. A chargeable accident is defined as an at-fault accident where the total damages exceed \$1,000. An at-fault accident is defined as any accident that is caused by or significantly contributed to be the actions of the insured. The insured must be determined to be 50% or more at fault for the accident to be deemed chargeable.
4. All accidents appearing on the MVR or CLUE report are considered chargeable unless proven otherwise. Acceptable proof is either a copy of an accident report made by the investigating police entry at the time of the loss or a letter from the prior carrier explaining the liability determination. The proof must be obtained by the Producer prior to binding the application.
5. Any other moving violations will be charged 1 CCC point.
6. All same occurrence major violations (5 and 6 CCC point violations) will be charged in addition to any At Fault accidents.
7. Civil traffic violations resulting from operation of a bicycle will not be surcharged or used to cancel or non-renew the insurance policy.

28. LICENSE STATE MATRIX

License Status	Classification (Corresponds to option on Rater)
Arizona	Arizona
Other U.S. States	Applicable State
International	Non - USA
Unlicensed or Never Licensed	Unverified License
License Expired	Applicable State with license status of Expired
Occupational	Unverified License
Suspended (with SR-22)	Arizona license status of Suspended and with SR-22
Suspended (with no SR-22)	Applicable State with license status of Suspended
Revoked (with SR-22)	Unacceptable
Revoked (with no SR-22)	Unacceptable
Cancelled (with SR-22)	Unacceptable
Cancelled (with no SR-22)	Unacceptable
Permit	Permit

Drivers without a valid license will have 90 days to obtain a valid license. The policy may cancel and an exclusion form may be required if the driver fails to submit proof of a valid license.

31.POLICY TERM

Rates shown in this manual are for a semi-annual (6 month) term policy.

32.VIOLATIONS AND SURCHARGES

6 Points:

- Conviction of any felony in the commission of which a motor vehicle is used.
- Fleeing or attempting to elude a police officer.
- Leaving the scene of an accident.
- Hit and Run.

5 Points:

- Driving or in control of any vehicle while under the influence of alcohol/chemical substance.
- Reckless/Negligent Driving. (Includes: Driving on shoulder, ditch or sidewalk; Failure to have vehicle under control; Driving on the wrong side of the road; Racing on a public highway).

4 Points:

- Each at fault accident.
- Making false accident reports.
- Driving without a valid driver's license or while license suspended.
- Refusal to submit to breath/blood alcohol test.
- Speeding 31+ miles per hour over the speed limit

2 Points:

- Speeding 21-30 miles per hour or more over the speed limit.

1 Point:

- Speeding 11-20 miles per hour over the speed limit.
- Applicant will be surcharged for the first of the following minor violations. Multiple minor violations that occurred simultaneously will be charged as one point. Violations for driving 65 MPH or less in 55MPH zone will not be charged. Seatbelt violations will not be charged.
- Failure to obey traffic instruction/sign/device (light, stop sign, one way, etc.)
- Improper lane change
- Speeding 1-10 miles
- Failure to yield.
- Passing a stopped school bus.
- Improper turn.

- Failure to signal.
- Transporting hazardous substances.
- Following too closely.
- Obstructing traffic.
- Improper passing.
- Driving without lights.
- Special hazard-failure to use due care.
- Failure to keep in proper lane.
- Improper enter exit of traffic-way.
- Disobeying emergency vehicle regulations.
- Violation of restriction.
- Driving while disabled.
- Open container-Driver.
- All other moving violations, except for seat belt violations, which are not subject to surcharge per Arizona Law.

33. CLAIMS REPORTING

The Company desires to provide prompt and fair Claims service. To do this, the following procedures must be followed.

1. In the event of an accident, no matter how minor, have the insured notify CCC immediately. Having the insured or claimant contact us directly will expedite the claim process.
2. No repairs, replacements or rentals are authorized without our approval. To do so is a violation of the policy and could result full or partial denial of the claim.

Please report all claims to:

Commonwealth Casualty Company
2500 N. 24th Street Phoenix, AZ 85008

Phone (877) 603-1310

Fax (877) 472-3009