



Texas Underwriting Guide

Effective 12/15/2025

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Dairyland® brand property and casualty coverages are underwritten by a member of the Sentry Insurance Group, Stevens Point, WI. For a complete listing of companies, visit DairylandInsurance.com. In Texas, Dairyland® property and casualty coverages are underwritten by Dairyland County Mutual Insurance Company of Texas, Austin, TX. In California, Dairyland® property and casualty coverages are underwritten by Viking Insurance Company of Wisconsin, Stevens Point, WI. Policies, coverages, benefits, and discounts are not available in all states. Savings based upon all available discounts. See your policy for complete coverage details.

CUSTOMER SERVICE | 800-334-0090

Additional Contact Options

Fax	E-mail	Mail
Customer Service/Discount Proof: 1-800-943-3373 Claims: 888-729-2225	Customer Service: help@dairylandinsurance.com Endorsement Requests & Discount Proof: PLPCDocuments@sentry.com	Claims: Dairyland PO Box 8042 Stevens Point, WI 54481 All Other: Dairyland Insurance PO Box 8047 Stevens Point, WI 54481-8047

Payment Options

Agent-Processed Payments <i>agent.dairylandagent.com</i>	Customer Self Service <i>My.DairylandInsurance.com</i>	Customer Wire Transfer Western Union
• Agent Sweep • Customer credit/debit card and checking/savings draft • Agent or producer-owned payments not allowed. • See Rule P.5 for more detail	• Credit/debit card or checking/savings draft payment (instant or scheduled)	Step 1: Complete Quick Collect Form Step 2: Pay to: Dairyland, Code City: Monthly, Code State: IL Step 3: Give your name and policy number to Western Union. There is a fee, but this will ensure same-day payment of the bill

Marketing Materials on *agent.dairylandagent.com*

1. Go to agent.dairylandagent.com
2. Select Marketing Materials, then order supplies

COVERAGES OFFERED		
Coverage	Value	Definition
BI-PD	30/60/25 50/100/25 50/100/50 100/300/25 100/300/50 100/300/100	• All policies must have liability. • Vehicles on multi-car policies must carry the same liability limits. • See Physical Damage Rules section R.16-R.18.
UM/UIM-BI	30/60 50/100 100/300	• Limits for UM/UIM-BI cannot be greater than the BI limit. • UM/UIM-BI limits must match on all vehicles. • UM/UIM-BI will be added to the policy unless the insured rejects coverage.
UM/UIM-PD	25,000 50,000 100,000 (250 deductible)	• UM/UIM-PD must match the PD limit. • UM/UIM-PD limits must match on all vehicles. • UM/UIM-PD will be added to the policy unless the insured rejects coverage. • A 250 deductible applies to UM/UIM – PD.
Medical Payments	1,000 2,000 5,000	• Limits on all vehicles must be identical. • Medical payments may be purchased instead of PIP.
PIP	2,500 5,000	• Coverage will be added unless the Named Insured signs the rejection. • Limits on all vehicles must be identical.
Comprehensive	100 250 500 1000	* See Physical Damage Section
Collision	250 500 1000	* See Physical Damage Section
Lienholder Deductible	250/250	• The coverage is only available with comprehensive and collision deductibles of 500/500, 500/1000 and 1000/1000. • This allows the insured to carry a deductible on physical damage higher than most lienholders allow. • Deductibles would be reduced to \$250 for Comprehensive and Collision for the 250/250 lienholder deductible on losses paid directly to the lienholder, when the vehicle is repossessed or a total loss.
Special Equipment	\$3000 Maximum \$1000 Stereo max	• Available only when Comprehensive and Collision coverages are purchased. • Please refer to the Physical Damage Rules section for detailed guidelines on this coverage.
Rental Reimbursement	\$40 per day/ \$1,200 Maximum	• This coverage reimburses the Insured for rental expenses incurred by the insured when the Insured Vehicle is withdrawn from use as the result of a covered loss. • Available only when Comprehensive and Collision coverages are carried.

COVERAGES OFFERED		
Towing & Labor	\$40 per disablement *Existing renewal business only *Not available for new business or endorsement	• This coverage reimburses the Insured for towing and labor expenses each time an Insured Vehicle is disabled, including mechanical breakdown. • Coverage pays a maximum of \$40 per disablement. • Available only when Comprehensive and Collision coverages are carried.
Named Non-Owner	Available	• Coverage applies to non-owned vehicles used by the named insured only. • This coverage does not apply to the use of vehicles owned by members of the household in which the named insured resides. • Only liability coverage is available. • SR-22 filings are available. • Complete and have insured sign the required acknowledgement form and attach to application.
Limited Liability	Not Available For New Business	• Provides coverage only for the people listed on the policy. • SR-22 filings are available with this contract. • No business or commercial use is permitted with this contract. • Non-rated drivers are not permitted with this contract. • Complete and have insured sign the required acknowledgement form and attach to the application.
Mexico Limited Coverage	Available	• The Mexico Limited Coverage endorsement extends coverage within 25 miles of the U.S. border when in Mexico. • This extension only applies for infrequent trips (less than 5 per month) into Mexico that do not exceed 10 days at any one time.
Car Loan Protection	Available	• Increases physical damage coverage from actual cash value to: actual cash value or the outstanding loan balance, whichever is greater, limited to 125% of the vehicle's actual cash value. • Applies only when the vehicle is a total loss.
Roadside Assistance	Basic - \$75 Expanded - \$100	Roadside Assistance provides 24-hour emergency towing and roadside service when a covered auto is disabled due to mechanical or electrical breakdown. • Includes assistance for battery failure, flat tires, insufficient supply of fuel, oil, fluid or water, and lock-out. • No discounts apply to this coverage. • Coverage added after New Business issuance will be subject to a 3-day waiting period. • For Roadside Assistance call: 877-854-3959

DISCOUNTS

Discount amounts vary by combination and coverage.

Multi-Car Discount

- This discount will be applied when two or more vehicles are insured.

Homeowners Discount

• Level One - Renters

- This discount is applied to policies when applicants submit proof of property insurance for a dwelling they rent.
- Acceptable proof is a copy of any renters' declaration providing proof of current coverage. Applications and binders are also acceptable.
- The address on the acceptable proof must be the same as the policy garaging address.
- This discount can be added mid-term when endorsement and proof is submitted. The endorsement will be effective the date notification is received.

• Level Two – Mobile Home owners

- This discount is applied to policies when applicants submit proof of property insurance for a mobile home they own.
- Acceptable proof is a copy of any mobile home declaration providing proof of current coverage. Applications, binders, property tax assessments or mortgage coupons are also acceptable.
- The address on the acceptable proof must be the same as the policy garaging address.
- This discount can be added mid-term when endorsement and proof is submitted. The endorsement will be effective the date notification is received.

• Level Three – Home, Townhouse or Condominium Owners

- This discount is applied to policies when applicants submit proof of property insurance for a home they own.
- Acceptable proof is a copy of any homeowner/condominium/townhouse declaration providing proof of current coverage. Applications, binders, property tax assessments or mortgage coupons are also acceptable.
- The address on the acceptable proof must be the same as the policy garaging address.
- This discount can be added mid-term when endorsement and proof is submitted. The endorsement will be effective the date notification is received.
- The insured must reside in the home, which includes condominiums/townhouses but does not include mobile homes.

Prior Insurance (Transfer)

- This discount is offered when applications are submitted with proof of 6 months continuous prior insurance immediately preceding the application effective date. This discount cannot be added after the first 30 days of the policy inception date.
- Acceptable proof is a copy of the most recent dec page, ID card, renewal offer, experience letter or non-renewal/cancellation notice.
- When required during the submission process, proof must be maintained in the agent's office and submitted to the company within 72 hours. Refer to the Customer Service section for the fax number or email address.
- If applicant is U.S. Military personnel who has documentation they are returning from active duty overseas and were not required to have insurance, then apply transfer discount in accordance with remaining discount requirements. Retain proof in agency records. Acceptable proof includes U.S. Military documents providing applicant's name, overseas location, and tour of duty dates
- This discount remains in place unless the policy cancels and is rewritten with a lapse in coverage.
- Any Sentry Personal Lines companies cannot be used as proof of transfer, unless the Named Insured meets one of the following criteria:
 - o Moved from another state.
 - o Has left a Company policy and was a covered driver on that policy.
 - o Was divorced/separated 'Spouse' of Named Insured from previous policy.

Paid in Full Discount

- This discount is offered when the entire 6 & 12-month term premium is submitted with the application.

DISCOUNTS

Advanced Quote Discount

- Discount applies when quote is initiated on our website, seven or more days before the policy effective date.
- Policy must carry Transfer discount level 2 (six-months prior insurance with no lapse in coverage).
- Discount applies to BI/PD, UM/UIM-BI, UM/UIM-PD, Medical Payments, Comprehensive and Collision coverages.
- Discount does not apply to Named Non-Owner policies.

Quarterly Discount

- This discount is offered when the selected payment plan has payments equal to three months of premium.
 - 12 Month Term (25% down + 3 installments)
 - 6 Month Term (50% down + 1 installments)

SURCHARGES

Business Use - Artisan Use Surcharge

- Acceptable business use vehicles will be surcharged. To be covered, business use must be disclosed to us and accepted.
- Not all business use is acceptable. Acceptable business use includes, but is not limited to:
 - Vehicles used by sales or service representatives, or for consumer oriented direct home sales (e.g., Avon, Mary Kay, Tupperware);
 - Vehicles used by real estate or insurance agents, lawyers, doctors, accountants or other professionals visiting multiple locations.
 - Vehicles owned by the insured and used by domestic employees (e.g., maids, chauffeurs).
 - Vehicles used in a business for occasional errands.
 - There are no more than two (2) vehicles in this category on the policy.
- Vehicles used to transport tools or other materials by the insured in a trade or business are acceptable if all of the following conditions are met:
 - There are no more than two (2) vehicles in this category on the policy.
 - The vehicle is driven to no more than two job sites per day.
 - The vehicle is owned or leased by an individual, not a corporation or partnership.
 - The vehicle is operated solely by the named insured or other resident relative.
 - The vehicle is not used to transport explosives, chemicals, flammable materials, or more than 500 pounds of supplies or equipment.
 - The gross vehicle weight rating (GVWR) does not exceed 14,000lbs.
- Not all business use is acceptable. Unacceptable business use includes, but is not limited to:
 - Any business involving frequent stops, whether on regular route or not, such as courier, exterminators, delivery services, etc.
 - Vehicles used in transporting passengers for a fee.
 - Vehicles with permanently installed mobile equipment such as hoists, air compressors, pumps and generators, spraying, building cleaning, lighting and well servicing equipment.
 - Vehicles used in security and surveillance operations.
 - Vehicles used to transport migrant workers.
 - Any vehicle used to tow a trailer carrying tools or supplies.

Unverifiable Driving Record Surcharge

- Assigned to each driver for which the company cannot obtain a current MVR.
- Insured's who have not maintained a license for a valid reason (i.e., peace corps, military stationed outside the USA, have not owned a vehicle, etc.) will not be surcharged.
- The unverifiable Driving Record Surcharge will not apply to someone with a Foreign/International Driver's license.

VIOLATIONS		
Point Schedule	If exact date of accidents and violations are not available, please include the approximate month and year. Charge the following for incidents within past 36 months:	
VIOLATION CATEGORY	VIOLATION POINT VALUES	VIOLATION EXAMPLES
Accidents	1st Occurrence – 4 points 2nd Occurrence – 4 points 3rd and subsequent occurrences – 7 points	The following claims qualify as chargeable accidents: • Bodily injury payments of \$1 or more. • Property damage payments of \$1,000 or more. • Collision payments of \$1 or more.
Speeding	1st Occurrence – 2 points 2nd Occurrence – 2 points 3rd and subsequent occurrences – 1 point	
Alcohol / Drug Violations	1st Occurrence – 1 point 1st Occurrence with other accidents / violations – 5 points 2nd Occurrence – 4 points 3rd and subsequent occurrences – 3 points	- Driving While Intoxicated/Drugs - Implied Consent - Possession Minor Drug/Alcohol - Open Container - Refusal of Breath / Blood Test
Major Violations	1st Occurrence – 4 points 2nd Occurrence – 4 points 3rd and subsequent occurrences – 7 points	- Eluding a police officer - Attempting to Elude Officer - Failure to Report Accident / Leave Scene - Failure to Stop after Accident - Failure to Keep Vehicle Under Control - Hit and Run - Imprudent Speeding / Driving - Negligent Driving - Racing / Speed Contest / Drag Racing - Reckless Driving

VIOLATIONS		
Minor Violations	1st Occurrence – 3 points	- Arterial Violation - Backing Illegally - Careless Driving - Driving Against Traffic / One Way - Deviate Lane / Cross Center Line - Driving Over Walk - Driving Without Lights - Driving Wrong Side Highway / Road - Failure to Dim Lights - Failure to Give Signal - Failure to Display Operator's License - Failure to Obey Sign / Signal - Failure to Stop for School Bus - Following Too Close - Failure to Yield Right of Way / Vehicle/Pedestrian - Inattentive Driving - Improper Lane Change - Improper Lane Use - Illegal Turn - Miscellaneous Minor Violation - Obstructing Traffic - Obstruct View / Interfere with driver - Passing Illegally / Improper - Parking on Highway / Street - Tamper Vehicle - Unnecessary Acceleration
	2nd Occurrence – 1 point 3rd and subsequent occurrences – 4 points	
Operating without License	1st Occurrence – 5 points	- Illegal / Unlawful Use of License - Not a US Citizen - Operating After Revocation - Operating on Expired License - Operating without Chauffeur's License - Operating without Cycle Endorsement - Operating without a License - Operating after Suspension - Violation License Restriction
	2nd Occurrence – 1 point 3rd and subsequent occurrences – 2 points	

STATE SPECIFICS	VALUES	DEFINITION
Motor Vehicle Crime Prevention Authority	State legislation requires a \$5 fee per motor vehicle to be paid to the Automobile Theft Prevention Board. The fee is in addition to the policy premium and is fully earned in the event of cancellation.	
Underwriting Company	Dairyland County Mutual Insurance Company of Texas	
Driver Eligibility Maximums	21 points 2 alcohol/drug violations in the past 36 months 2 at-fault accidents in the past 36 months	
Policy Fee	\$12 per month of coverage	• This fee is charged on all new business and rewrites.
Renewal Fee	\$12 per month of coverage	• This fee is charged on all renewals. This fee is fully earned.
Reinstatement Fee	\$25	• This fee applies when a policy is restarted with no lapse in coverage.
Rewrite Fee	\$5	• This fee applies when a policy is restarted with a lapse in coverage.
Billing Fee	\$3 \$0 - Automatic Payments	• This fee is charged on all invoices. There is no billing fee when automatic payments are enabled on the policy.
Late Fee	\$5	• This fee applies when an invoice is not fully paid by the due date.
Returned Payment Fee	\$25	• This fee is charged when insured payments are not honored due to insufficient funds, invalid/closed/expired account, stop payment, or any other reason.
Policy Terms	Six-Month Annual Monthly (Not available for New Business)	
Commission Levels New/Renewal	Roadside Basic - 25% Roadside Expanded - 50% All other coverages - 10% / 10%	• Commission rates are as stated unless the company otherwise notifies the agent.
Rewrite Period	45 Days	
Reinstatement Period	5 Days	
Minimum MVR Conversion Ratio	70%	
Chargeable % of MVR Cost	100%	
Violation Chargeability	Conviction	

RULES	RULE DESCRIPTION	RULE VERBIAGE
U.	Underwriting Rules	UNDERWRITING RULES
U.1	Underwriting Company	* See State Specifics Table
U.2	Agent's Binding Responsibility	• The time and date of binding can be no earlier than the time and date the down payment is made. • The application, payment, or policy change must be submitted electronically at the time the coverage is bound. • If an applicant does not meet the underwriting standards listed in this rule guide, do not bind coverage. • Complete the inspection process before binding physical damage coverage. - o An inspection can be waived if: - The vehicle was purchased from a dealership within 3 days of the date the insured contacts the agent or company to request coverage. - The vehicle was previously insured by your agency with full coverage without a lapse in coverage. - The policy is bound via E-Signature.
U.3	Driver Exclusions	Any of the following individuals not listed on the policy as a rated driver must be excluded: • All persons of driving age living in the household, including children away at college • Any person who is a regular operator of or has regular access to any vehicle to be insured. Any driver exclusions require a Driver Exclusion form to be completed and signed by the Named Insured(s). See Driver Exclusion Procedures for further instructions.
U.4	Financial Responsibility (SR-22)	• Out of state SR-22's are accepted for some states. See our website for details. • SR-22's are not allowed on driver's without a driver's license. • All vehicles in the insured household must be insured whenever an SR-22 filing is made. • When completing the SR-22 filing in your office, indicate the correct issuing company based on the product sold. See Underwriting Company information in the State Specifics Table.

RULES	RULE DESCRIPTION	RULE VERBIAGE
U.5	Insurance Score	• An insurance score may be ordered for the first Named Insured on all applications submitted. • The ordering of an insurance score is included as a step within our rating software. • A customer has the right not to provide his/her Social Security Number. • Please request the applicant's permission to order an insurance score by reading the following: "As part of our underwriting process, we order an insurance score based upon your credit history. This score may be used to underwrite and price your policy. Consumer reports that contain information about your driving and claim history may also be obtained. You have the right to be told the name and address of the reporting agencies that provide these reports and to see and correct your personal information. We may disclose this information to properly service your policy or to conduct our business. Our privacy notice will be included with your policy and is also available upon request." • If submitting the business through our company website, a pop-up window will display to record whether the insured "agrees" with the above statements or "does not agree". • This score is an inquiry only and will not affect an applicant's credit history or his/her ability to obtain credit for future purchases or loans. • A new insurance score will be run every three years. The Named Insured can request a new insurance score once every 12 months. • Our vendor of insurance score information is TransUnion. If the applicant suspects the report is inaccurate, they may contact: TransUnion National Disclosure Center PO Box 1000 Chester, PA 19022 Phone: 1-800-645-1938

RULES	RULE DESCRIPTION	RULE VERBIAGE
U.6	Unacceptable Risks	Risks with any of the following characteristics are unacceptable and will be cancelled. • Risks where an operator has a revoked license, unless that operator is excluded from coverage. • Physical damage only policies. • Comprehensive coverage written without Collision. • Risks in which the insured knowingly fails to provide either Company with the correct vehicle garaging address or fails to include all household and non-household drivers who drive the insured vehicle on a regular or ongoing basis. • Motor Vehicles used in/with a felony. • Any violations involving a fatality/assault (i.e. Vehicular Assault). • An individual who has been successfully denied payment by an insurer of a claim under an automobile insurance policy where there was evidence of fraud or intent to defraud. • An individual who has been found to have made a material misrepresentation to an insurer. • Any driver's license number of a policy that was previously cancelled/non-renewed by any member of the Sentry Insurance Group for underwriting reasons will be unacceptable for new business.

RULES	RULE DESCRIPTION	RULE VERBIAGE
U.7	Ineligible Vehicles	The following vehicles are ineligible for any coverage: • Any vehicle primarily garaged outside the policy state. • Vehicles with a gross vehicle weight in excess of 10,000 pounds. • Vehicles with a gross vehicle weight rating (GVWR*) above 14,000 pounds. *A gross vehicle weight rating (GVWR) is the maximum operating weight/mass of a vehicle as specified by the manufacturer, including the vehicle's chassis, body, engine, engine fluids, fuel, accessories, driver, passengers and cargo. • Any vehicle having less than four wheels. • Commercial use vehicles. • Any vehicle used for wholesale or retail purposes (including mail, floral, pizza, newspaper, courier, etc.). • Company fleet vehicles registered to corporations or businesses. • Dump trucks, including pickup trucks converted for this purpose. • Emergency vehicles, including vehicles used in volunteer fire departments. • Gasoline and explosive haulers and vehicles used for similar purposes. • Taxi cabs and all other vehicles used in public or livery conveyance, haul for hire, ridesharing or personal vehicle sharing program. • Vehicles used in speed contests, races, exhibitions or "off-road". • Snowplows. • Homemade, custom-built, altered or "kit" cars. • Motorhomes or recreational vehicles. • Flat bed trucks. • Classic or antique autos. • Limousines. • Vehicles with detachable camper bodies that contain sleeping or cooking facilities. • Vehicles for which the Named Insured has no insurable interest. • Vehicles not registered for street use. • Vehicles which have been substantially modified from its original manufactured state including: – Raised or lowered suspension – Steering geometry changed – Engine or drive train altered or changed – Addition of traction bars – Oversized tires • Any vehicle for which the Company does not have a rate lawfully in effect.

RULES	RULE DESCRIPTION	RULE VERBIAGE
U.8	Vehicles Ineligible for Physical Damage	The following vehicles are ineligible for Physical Damage coverage as new business and cannot be endorsed as an additional vehicle on the policy: - Vehicle MSRP of \$120,000 or above - Vehicles 0-3 years old: \$90,000 or above - Non-owned vehicles and leases of 6 months or less - Vehicles with a salvage title or prior total loss - Gray market vehicles (not manufactured for sale in the United States). - Vehicles over 25 years old • Stated Amount coverage is unavailable • Vehicle age changes October 1st each year. • Conversion vans and special equipment rules are found in Rules R.17 and R.18
U.9	Final Underwriting Authority	We reserve the right to make final underwriting decision on all applications. A combination of factors may cause an application to be unacceptable even though not specified in this rule guide's Underwriting Rules. All requests for exceptions must be made through your product management team.
U.21	Driver Exclusion Procedures	• A signed and completed driver exclusion form must be collected for all excluded drivers. • To delete an exclusion and add the person to the policy as a rated driver, please provide all the appropriate driver information needed for rating. If the excluded driver is being removed from the policy altogether, a written explanation of the reason the exposure no longer exists should be included. A signed request from the Named Insured is required.
U.22	Binding Authority Suspended During Severe Weather Watches and Warnings	When the National Weather Service issues a weather watch or warning in the area where a vehicle is being operated (hurricane, tropical storm, tornado, flood, etc) binding authority is suspended for Physical Damage coverage. Do not bind coverage for the duration of the watch or warning. When the National Weather Service withdraws the watch or warning, agents may bind Physical Damage risks again.
R.	RATING RULES	RATING RULES
R.1	Driver Eligibility Maximums (per Driver)	* See State Specifics Table
R.3	General Rules	• If multiple violations and/or accidents occur on the same day, we will only charge points for the violations/accident with the highest point value. However, same day violations will still be considered when assessing point value. See Violations table for point values. • When surcharges no longer fall within the chargeability period, they will be dropped from the insured's record at the next renewal and the next renewal will be adjusted accordingly.

RULES	RULE DESCRIPTION	RULE VERBIAGE
R.5	Driver Classifications	Operator Assignment - Highest-rated operator assigned to highest-rated vehicle - Excess Vehicle factor applied to additional vehicles. Age Operator age at term effective date. Marital Status - Married is an operator who is a legally married person living with their spouse, including any person who is widowed or in a civil union. (Exception: The inability of married persons to live together because of career obligations or military service does not deny them the married classification.) - Single: all other operators
R.7	Chargeable Accidents	Single vehicle accidents shall be considered chargeable accidents. Policies will be surcharged for chargeable claims by permissive operators. An accident is considered chargeable, except for the following: - When it can be demonstrated the insured was not at fault. - Vehicle was legally parked. - Vehicle was struck in the rear while legally stopped for traffic or traffic control device. - Vehicle collided with a bird or animal. - Accident involved hit-and-run driver and was reported to proper authorities within 24 hours. - Accident is one in which judgment or reimbursement is obtained from other party, providing the company makes no liability payment on behalf of the insured. - Other driver convicted of a moving violation in connection with accident or our insured is not convicted.
R.8	Accident Disputes	Our company website includes an electronic underwriting feature that brings in information about your customers from a variety of external information sources, including your customer's accident history. There are occasions when these external sources include accidents that were not the fault of your customer. To provide a more open application process with your customers, we provide you with the ability to dispute these accidents. When disputing accidents, you and your customers must provide us proof, (via a police report or other authoritative document) that your customer was not at fault for the identified accident. This proof should be submitted to us on any policy where an accident has been disputed (much the same as discount proof). If we do not receive this proof within 15 days of the application date, the accident will be added back to the policy and the customer billed accordingly.

RULES	RULE DESCRIPTION	RULE VERBIAGE
R.9	Non-Chargeable Claims	• Non-chargeable accidents and comprehensive claims associated with a listed driver's 36 month history preceding policy inception will be assessed in rating at new business only. • Non-chargeable accidents and comprehensive claims incurred after policy inception will not be assessed. • Rating will update the assessment if a driver is added or removed based on the remaining drivers listed on the policy.
R.16	Physical Damage - General Rules	• The Comprehensive deductible cannot exceed the Collision deductible. • The Comprehensive and Collision premium for any vehicle includes the loss of or damage to all permanently installed equipment, parts or accessories which were installed by the original manufacturer of the vehicle. • Comprehensive is not available without Collision. • Vehicle inspection is required when physical damage coverage is carried. An inspection can be waived if: - The vehicle was purchased from a dealership within 3 days of the date the insured contacts the agent or company to request coverage. - The vehicle was previously insured by your agency with full coverage without a lapse in coverage. - The policy is bound via E-Signature. • Every policy must carry liability coverage. • The agent must inspect all vehicles to be insured for physical damage. The inspection process must be completed with any and all pre-existing damage noted. Photos showing all 4 corners of the vehicle can be taken in lieu of completing the vehicle inspection form.
R.17	Physical Damage - Conversion Vans	• Conversion vans are pick-ups, vans or utility vehicles requiring physical damage coverage which have a conversion package or add-on and custom equipment not installed by the original automobile manufacturer. • Conversion vans require inside and outside photographs for binding. • Special Equipment Coverage must be purchased to cover the value of add-on and custom equipment or the conversion package. • An itemized list of such equipment must be submitted with the application. • All rules under Special Equipment section apply to Custom Vans. • Physical damage coverage on conversion vans provides coverage up to the actual cash value of the standard vehicle without any special equipment plus the lesser of the actual cash value or the stated amount value of the special equipment or conversion package.

RULES	RULE DESCRIPTION	RULE VERBIAGE
R.18	Physical Damage - Special Equipment	• A separate premium is charged for special custom, non-factory installed equipment. • The maximum special equipment coverage available is \$3,000. • The maximum coverage on all stereo and sound-producing equipment is \$1,000. • Special equipment and its value must be declared at the time coverage is bound. • Comprehensive and Collision coverage must be purchased in order to purchase special equipment coverage. • The physical damage deductibles listed on the declarations page apply to all special equipment. • Examples of common types of special equipment include: – Portable toppers – Stereo equipment – Running boards – Custom exterior or interior work – Sun roof or any deluxe roof treatment – Roll bars and custom bumpers – Special wheels or tires – Bug shields
R.19	License Requirements	• U.S. License: Drivers who have ever held a U.S. license regardless of the current license status (valid, expired, suspended, etc.) • Foreign Operator: Drivers with a foreign/international driver's license, matricula, US Employment Authorization ID, passport, or foreign driving experience • Unlicensed: Drivers who have never held a U.S. license and have no foreign driving experience • Permit: A driver's permit, learner's permit, learner's license or provisional license, is a restricted license that is given to a person who is learning to drive, but has not yet satisfied the requirements to obtain a driver's license

RULES	RULE DESCRIPTION	RULE VERBIAGE
R.24	Rate Capping	Rate capping is used to limit the impact of rate revisions taken by the company on insureds' premium. The cap factor is calculated at the policy level and applied at a vehicle/coverage level to the following coverages: Bodily Injury, Property Damage, Personal Injury Protection, Uninsured/Underinsured Motorists, Comprehensive, and Collision. Other coverages on the policy do not receive the cap factor. The cap factor is calculated using the following steps: • Calculate the policy's "True New Term Premium" by using the new term rating factors and the policy's new term rating characteristics (driver age, driving record, deductibles, etc.) for the applicable coverages • Calculate the policy's "Adjusted Prior Term Premium" by using the prior term rating factors and the policy's new term rating characteristics (same as those used in step 1) for the applicable coverages • Calculate the "True Premium Change Percentage" as (True New Term Premium / Adjusted Prior Term Premium) - 1 • Use the True Premium Change Percentage to look up the "Cap Class" in the Cap Class rating table in our rate manual • Use the results from steps 1-4 to calculate the "Cap Factor" Cap Factor = (Adjusted Prior Term Premium * (1 + Cap Class)) / (True New Term Premium) - If the True Premium Change Percentage is between the smallest negative Cap Class and the smallest positive Cap Class, the Cap Factor will be set to 1.00. When rounding is needed, both the True Premium Change Percentage and the Cap Factor are always rounded down to the insured's benefit. - The "Final Renewal Term Premium" is calculated by applying the Cap Factor to each vehicle's applicable coverages' True New Term Premium and then summing up the premium for all coverages on all vehicles. - The Cap Factor is recalculated on each renewal and when a policy is rewritten. When determining the Adjusted Prior Term Premium, the Cap Factor from the prior term is considered as a prior term rating factor. - New vehicles and/or new applicable coverages added or replaced mid-term or at renewal are not eligible for rate capping during that term. The Cap Factor does continue to apply to existing vehicles/coverages that experience a mid-term endorsement.
B.	BILLING OPTIONS	• Available billing option(s) and payment method(s) may vary by underwriting criteria and may change at Company's discretion.
B.2	Policy Fee	• This fee is charged on all new business and rewrites.
B.3	Renewal Fee	• This fee is charged on all renewals. This fee is fully earned.
B.6	Billing Fee	• This fee is charged on all invoices. There is no billing fee when automatic payments are enabled on the policy.
B.11	Late Fee	• This fee applies when an invoice is not fully paid by the due date.

RULES	RULE DESCRIPTION	RULE VERBIAGE
B.22	Automatic Payments	• Automatic payments may be initiated at time of new business, or during the active policy term via policy change. However, the initial down payment cannot be withdrawn via automatic payments and must be submitted via another payment method. • An Automatic Payments Authorization form must be completed and signed before automatic payments are initiated. This signed form must be retained in your office for the period of time required by the state. A copy of the form must be provided to the customer. • Automatic payments options available are Checking or Savings account, debit card or credit card (Visa, MasterCard, American Express or Discover). • Automatic payments adds, changes (account number, account type, etc...) and cancels will take effect the day following the submission request on our website or via Customer Service. Any bills generated prior to automatic payments taking effect will not be paid via automatic payments. The appropriate form must be signed and retained in your office. • The frequency of automatic payments withdrawals will be according to the existing payment plan for the current term. • For additional automatic payment options at renewal, please see our company website or contact Customer Service before the renewal payment is processed.
B.23	Rewrite Fee	• This fee applies when a policy is restarted with a lapse in coverage.
B.24	Returned Payment Fee	• This fee is charged when insured payments are not honored due to insufficient funds, invalid/closed/expired account, stop payment, or any other reason.
B.25	Invoice Schedule- Fixed Invoicing	• Invoices are due on a fixed date each month, based on the payment schedule and when additional charges are applicable. For months in which that date is not available, the due date will be the last day of the month.
B.27	Reinstatement Fee	• This fee applies when a policy is restarted with no lapse in coverage.
P.	PROCEDURES	PROCEDURES
P.1	Commissions	* Commission is not paid on fees. * See State Specifics Table
P.2	MVR Costs	• Dairyland will always pay 100% of the cost of MVRs that result in the sale of Dairyland policies. • If your agency's ratio of MVRs that convert to Dairyland policies is less than the MVR Minimum Conversion Ratio, you will be charged the Chargeback % of MVR Cost as shown in the State Specifics Table. • Chargeback amounts are detailed and deducted from subsequent commission statements. If the MVR chargeback amount is greater than the commission, the balance will either roll into the next commission statement or an invoice may be sent for the outstanding balance owed.
P.3	MVR Reconciliation Report	• The total monthly MVR chargeback amount within your commission statement may be reconciled by using the "MVR Reconciliation Report" within the Reports section on our company website. This report details the monthly chargeback by each MVR ordered and whether it was sold or unsold.

RULES	RULE DESCRIPTION	RULE VERBIAGE
P.4	Applications	• Applications must be submitted electronically through our company website. If you experience any difficulty submitting the application electronically, please contact Customer Service. • Applications must be completed in full and a paper or electronic copy signed by you and the applicant, including completion of the appropriate rejections and initial section. The signed copy must be retained in your file. Note: if applicant signs using e-signature the application will be stored on our company website. See The E-signature File Requirement section for more information on E-signature. • Applications missing the following critical information may result in policy cancellation: Driver Information (date of birth and license number), Vehicle Identification Number, and required signatures. • Payment for premium owed by the primary named insured for prior policies may be required prior to submission of a new policy.
P.5	Payment Procedures	• Available billing options and payment methods can be found on our website. • We do not accept premium financing unless otherwise specified in a Premium Financing Section. • To be considered on-time, payments must be received by the Company by the due date. • If payment is accepted in your office, you must indicate the date and time payment is received, the payment amount, the policy number and the insured name. • Invoices not paid in full within three days of the due date, as well as returned payments, may be subject to an additional fee. • See Fee Section for applicable fees. All fees are fully earned. • If a policy cancels or expires with a credit or balance due at or below the waiver threshold, we will not bill or refund it. • Payments can be split into two forms of payment, provided that one of the payment methods is cash. • Payments made via a checking/savings account or credit/debit card in an agency should be electronically submitted directly to the company and not via an agency sweep account. • We will not reimburse agency-incurred fees due to an unsuccessful insured payment submitted via an agency sweep account.

RULES	RULE DESCRIPTION	RULE VERBIAGE
P.6	Endorsements	• Policy change requests should be submitted via our website. • Policy changes requesting the deletion of a driver or lowering the limits of liability must be signed by a named insured. • All policy changes will be computed on a pro rate basis using the rules and rates in effect as of the inception date of the current policy term. • Additional premium due will be displayed when processing most policy changes and should accompany all change requests for additional coverage. If a bill is already outstanding, the change in premium will be reflected in the revised bill amount displayed on our website. To minimize confusion to the insured with revised bills, collect the revised bill amount with the policy change. • Depending on the insured's policy bill plan and policy change timing, any additional premium will either be billed separately, spread over any remaining installments, included with future renewal offers, or billed in the first installment of the renewal term.
P.9	Cancellations	• Policy cancellation requests should be processed electronically through our website. • An insured-requested cancellation will be effective at the end of the day on date received, unless a future cancel effective date is indicated. If the policyholder has obtained insurance elsewhere, we will honor the date the other policy goes into effect, once proof of coverage is provided. • Back-dated and Flat cancellations are not allowed. Exception: We will consider a back-dated or flat cancellation for duplicate coverage if the insured notifies us within 60 days of the replacement policy. • Cancellation requests must be signed by a named insured. • All cancellations will be calculated on a pro-rate basis. • Any outstanding balance will be billed to the insured.
P.10	Agency File Documentation	You are not required to submit the application and most other related documents to the company at the time of writing. However, we do ask that these documents be made available upon request. We will be performing occasional File Compliance Audits via email to make sure training has been adequate and the required documents are being properly maintained in the agency files. This is to ensure that your interests and ours are protected in the event of a claim or legal issue.

RULES	RULE DESCRIPTION	RULE VERBIAGE
P.11	File Maintenance Requirements	• Original signed application. The General Acknowledgement block must be signed by the Named Insured or additional Named Insured. • Appropriate coverage rejection signature(s). Signed by the Named Insured or the additional Named Insured. • Driver exclusion (where available) signatures. Signed by the Named Insured and/or additional Named Insured as shown on the application or Declarations page. • Signed Statement of No Losses Forms, when applicable. • Description of Business/Artisan use when applicable. • Any insured requests for policy change. • Physical Damage inspection. When Comprehensive and Collision coverages are selected, photos showing all 4 corners of the vehicle, or a completed vehicle inspection form must be kept. This requirement is waived for policies bound via E-Signature. If the vehicle was just purchased from a dealership or previously insured within the same agency with full coverage without a lapse in coverage, please document that in your files for audit purposes. • Complete garaging address when it differs from the mailing address. • Proof of not-at-fault. A police report, letter from the insurance company, or details of the accident indicating not at fault. • Proof of prior insurance when Prior Insurance Discount is applied and prior coverage cannot be confirmed on our website. A copy of the proof needs to be submitted to the company within 72 hours when requested on our website. Refer to the Customer Service Section for the fax number or e-mail address. • Proof of insurance for Homeowner's Discount. A copy of the proof needs to be submitted to the company within 72 hours. Refer to the Customer Service Section for the fax number or e-mail address. • Documentation for any other discounts requiring proof. • For automatic payments, the original signed authorization form must be retained in your office for the period of time required by the state. The same applies with regard to automatic payments change and cancel forms.

RULES	RULE DESCRIPTION	RULE VERBIAGE
P.12	E-Signature File Requirements	• File maintenance requirements for electronically signed applications are the same as noted in the 'File Maintenance Requirements section above with the following exceptions: - o Once the applicant completes the e-signature process a copy of the application will be stored within our website. - o Proof for the Prior Insurance and Homeowner Discounts still need to be submitted to the company within 72 hours. See the Customer Service Section for fax number or email address. • The agent has the same responsibility to make sure that customers sign all required documents properly and in a timely manner as today with the traditional wet signature process. Applications must be completed in full by the applicant, including the completion of the appropriate rejections and initial section. To help pursue any outstanding e-signatures, these policies will appear in the Follow-up section of the Agency Dashboard on our website. • Failure to obtain a signed application could result in policy cancellation. • For more information regarding the e-signature process, please reference the 'Step By Step E-signature' instructions on our website.
P.13	Compliance Audit Requirements	• Audits will be performed via email, fax, or in person, on randomly selected policies. - Failed audits will result in increased audit frequency. • Requested documentation must be emailed or faxed to us within 48 hours. • Audits may be performed on cancelled/non-renewed policies. • Files must be maintained for a minimum of eight (8) years after policy expiration or cancellation, or for a greater period if required by state law.
P.17	Reinstatements	• A cancelled or expired policy may be eligible for reinstatement with no lapse in coverage up to the last day of the reinstatement window (see State Specifics Section) if no loss has occurred since the cancellation/expiration date. The exact amount needed to reinstate may be found on our website. • For reinstatements performed by the agency, a Statement of No Losses Form must be signed by a named insured and retained in the agent's office.
P.23	Installment Processing - 6 and 12 Month	• A minimum down payment is required. The insured will be billed for the balance in equal installments. • Please see our website for available payment options.

RULES	RULE DESCRIPTION	RULE VERBIAGE
P.26	Rewrites	• A cancelled or expired policy may be eligible to be rewritten with a lapse in coverage, without submitting a new application, up to the last day of the rewrite window (see State Specifics Section). • The exact amount needed to rewrite may be found on our website. • After the rewrite window, the Company requires a new application. • When the insured makes a payment to you on a cancelled or expired policy, the date and time must be clearly indicated and initialed by the agent on the payment coupon. In the case of a rewrite, the declaration page will be dated effective the day payment is received. However, coverage will begin as of the time the agent takes payment from the insured. Rewrite requests (including payment upload) should be performed electronically at the time payment is bound. The corresponding payment must include all appropriate fees. • When a payment is mailed to the Company on a cancelled or expired policy, the payment will first be applied to any outstanding balance. The system will determine if any remaining funds from the payment are adequate to rewrite the policy to a new term. Rewrite coverages will take effect at 12:01 AM on the date following the postmark date. • When a payment is mailed to the Company on a cancelled or expired policy that is less than our minimum rewrite tolerance, the amount exceeding any outstanding balance will be refunded within 15 days or less.