



TEXAS AGENT MANUAL AND UNDERWRITING GUIDE

HALLMARK AUTO PROGRAM

NEW BUSINESS: 05/04/2026
RENEWALS: 06/08/2026



REFERENCE INFORMATION

AGENT REFERENCE INFORMATION

Online Service	hplAgent.com
Use it to:	
- Quote and sell new policies - Process policy changes and customer payments - View and print policy documents, ID cards, and declarations pages - Check the status of your customers' claims - Monitor your agency's production, loss reporting numbers, and quality measures - Access your commission statement - Order marketing supplies	
Phone Service	(800) 486 - 5616
Use it to:	
- Ask a Policy Service representative policy related questions - Process policy changes and customer payments - Order new agency marketing supplies - Check the status of your customers' claims	
Send us Trailing Documents	
Fax	(800) 876 - 6960
Email	endorsements@hallmarkgrp.com

ADDRESSES

Correspondence Address/Overnight Delivery Address

Hallmark Financial Services, Inc.

5400 Lyndon B. Johnson Freeway, Suite 400

Dallas, TX 75240-2345

CLAIMS

Please have the insured report a claim promptly to us. The insured should call our claims service at (800) 486-5616. The agent could be responsible for any fines imposed by the state if they take first notice of the claim and fail to relay the information to the Company within 24 hours.

CUSTOMER REFERENCE INFORMATION

Online Service	myHallmarkInsurance.com
Customers can use it to:	
- Make payments - Verify last payment received - Check due date of next payment - Print policy documents	
Phone Service	(800) 486 - 5616
Customers can use it to:	
- Make payments - Verify last payment received - Check due date of next payment - Quote policy changes - Check the status of a claim	
Send us Requested Documents	
Fax	(800) 876 - 6960
Email	endorsements@hallmarkgrp.com
Contact our Claims Department	
Phone	(800) 486 - 5616
Fax	(469) 298 - 5750

RULE SECTIONS AND SUBJECTS

1. Definitions 1

Rule 1.01	Private Passenger Auto	1
Rule 1.02	Auto	1
Rule 1.03	Liability	1
Rule 1.04	Owned Vehicle	1
Rule 1.05	Gross Vehicle Weight Rating	1
Rule 1.06	Resident	1
Rule 1.07	Rated Driver	1
Rule 1.08	Excluded Driver	1
Rule 1.09	License	1

2. General Rating Rules 2

Rule 2.01	Underwriting Company	2
Rule 2.02	Binding Authority	2
Rule 2.03	Policy Period	2
Rule 2.04	Driver Rating	3
Rule 2.05	Vehicle Rating	6
Rule 2.06	Program Discounts	6
Rule 2.07	Program Surcharges	7
Rule 2.08	Premium Rounding	7
Rule 2.09	Changes to Policy	8
Rule 2.10	Rate Stability with Rate Capping	8
Rule 2.11	Cancellation of Policy	8
Rule 2.12	Reinstatement of Policy	8
Rule 2.13	Rewrite of Policy	8
Rule 2.14	Renewals	8
Rule 2.15	Rating Territories	8
Rule 2.16	Investigative Reports	9
Rule 2.17	Service Fees	9
Rule 2.18	Outstanding Customer Balance Verification	9
Rule 2.19	Uninsurable Risk Verification	9

3. Eligibility Guidelines 10

Rule 3.01	Policy-Level Guidelines	10
Rule 3.02	Driver-Level Guidelines	11
Rule 3.03	Vehicle-Level Guidelines	11

4. Coverage Descriptions & Rules – Liability 13

Rule 4.01	Bodily Injury Coverage	13
Rule 4.02	Property Damage Coverage	13
Rule 4.03	Uninsured/Underinsured Motorists Bodily Injury Coverage	13
Rule 4.04	Uninsured/Underinsured Motorists Property Damage Coverage	13

5. Coverage Descriptions & Rules – Physical Damage 14

Rule 5.01	Collision and Other than Collision Coverage Rules	14
Rule 5.02	Deductibles	14
Rule 5.03	Towing & Labor Reimbursement Coverage	14
Rule 5.04	Rental Reimbursement Coverage	14
Rule 5.05	Custom Equipment Coverage	14

6. Coverage Descriptions & Rules – First Party Benefits 15

Rule 6.01	Medical Payments Coverage	15
Rule 6.02	Personal Injury Protection Coverage	15

7. Miscellaneous Policy Types 16

Rule 7.01	Named Non-Owner Policy	16
-----------	------------------------	----

8. Trailing Documents 17

1. DEFINITIONS

Rule 1.01 Private Passenger Auto

A private passenger auto is a four-wheel motor vehicle, other than a truck type, owned or leased under contract for a continuous period of at least six months, not used as a public or livery conveyance for passengers, and not rented to others.

A motor vehicle that is a pickup or van will be considered a private passenger auto, if it:

- (i) Has a Gross Vehicle Weight Rating of 10,000 lbs. or less, or is a vehicle with a Gross Vehicle Weight Rating greater than 10,000 lbs. for which a symbol is assigned by our policy system; and
- (ii) Is not used for the delivery or transportation of goods, materials, or supplies, other than samples, unless:
 - 1) The delivery of the goods, materials, or supplies is not the primary use for which the vehicle is employed; or
 - 2) The vehicle is use for farming or ranching.

To comply with Insurance Code Section 1952.059(c) and Insurance Code Section 1952.059(f), newly acquired vehicles may have a Gross Vehicle Weight Rating up to and including 25,000 lbs and will be covered as required by Texas law. Such vehicles will be rated/surcharged accordingly. They may be marked for non-renewal. Please contact the Underwriting department to add.

If a vehicle that is in addition to the covered vehicles shown in the declarations page for the policy is acquired during the policy term and the company is properly notified, the vehicle will receive the broadest coverage provided under the policy for any covered vehicle shown in the declarations page.

Rule 1.02 Auto

Auto as used in this manual refers to a private passenger auto or a vehicle considered as a private passenger auto. Refer to the Policy Form for more details.

Rule 1.03 Liability

Liability as used in this manual refers only to Bodily Injury and Property Damage Coverages.

Rule 1.04 Owned Vehicle

Owned vehicles, as used in this manual, includes an auto leased under contract for a continuous period of at least six months. If an auto lease contract requires the lessee to provide primary insurance for the lessor, attach the additional insured-lessor endorsement.

Rule 1.05 Gross Vehicle Weight Rating

Gross Vehicle Weight Rating (GVWR) as used in this manual refers to the maximum loaded weight for which a single vehicle is designed, as specified by the manufacturer.

Rule 1.06 Resident

Resident means, as used in this manual, anyone residing in the same household as an applicant.

Rule 1.07 Rated Driver

Any person who is required to be disclosed on the application, other than excluded drivers.

The following are required to be disclosed on the application:

- i. All resident relatives above the legal driving age.
- ii. All resident relatives with a learner's permit.
- iii. Any person who drives a covered vehicle.

Rule 1.08 Excluded Driver

Any person, other than the Named Insured can be designated as an Excluded Driver. This will prohibit the person from being covered by the policy, regardless if they are given permission to drive the vehicle.

Rule 1.09 License

License means documentation and permission provided by a U.S. Department of Motor Vehicles (DMV), or equivalent, to drive an Auto. License also includes drivers which meet the requirements for the Foreign Driver's License rating. When an insured has both a U.S. license and Foreign Driver's license, the U.S. license prevails. This includes U.S. licenses with a status of revoked, cancelled, expired, and suspended.

2. GENERAL RATING RULES

Rule 2.01 Underwriting Company

This Personal Auto Manual is applicable for all new and renewal risks underwritten by Hallmark County Mutual Insurance Company (the Company) in the Hallmark Auto program.

Rule 2.02 Binding Authority

Rule 2.02.01 Agent's Obligation

It is the agent's obligation to field underwrite every risk submitted to the Company. All questions on the application must be explained and the consequences of missing or incorrect information outlined in detail.

Note: We may obtain underwriting reports on every risk. If any undisclosed violations, accidents or drivers in the household are discovered, all applicable surcharges will be applied or discounts eliminated and the policy will be amended. A cancellation notice may be generated at the same time at our discretion.

Rule 2.02.02 Binding and Effective Dates

Producer must be properly appointed and issued a producer number prior to issuing any policies. Applications for coverage must be consistent with the written program guidelines and producer agreement. The down payment or full premium must accompany the application or endorsement. Applications and endorsements processed through the Point of Sale System ("POS") will be bound effective the date and time assigned by the system. Applications and endorsement transactions requiring signatures must be completed electronically by the producer and policyholder, unless otherwise approved by the Company. It is the agent's responsibility to authenticate the identity of the applicant prior to completing the application either on paper or electronically.

Applications will not be accepted with a future effective date exceeding sixty days from the current date. Applications or endorsements may not be bound to cover a loss, which occurred before the application is signed. No agent may back date an application, cancellation or change request for any reason. Back dating is defined as using any date other than the current date and time, or the date and time all binding requirements have been completed, whichever is later. No agent is authorized to issue verbal or written coverage binders.

Rule 2.02.03 Document Retention

It is the agents' responsibility to secure required documentation upon binding. Documentation must be attached to the policy in the "POS" system or submitted to the Company. It is the agent's responsibility to secure any other required documentation and

retain this information in the insured's file based on the retention obligations of your state. Any and all documentation must be made available upon company request.

Rule 2.02.04 Agency Funds

Agency payments (made through agency sweep or any other means) that are returned from the bank unpaid must be replaced immediately. Recurring instances of dishonored payments could result in immediate cancellation of the agency contract.

Rule 2.02.05 Temporary Binding Restrictions Due to Severe Weather or State of Emergency

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:

- No physical damage coverage may be written, endorsed or bound during wild fire, hail storms, tornadoes, hurricanes or comparable severe weather.
- No new business policies may be written, endorsed or bound during ice storms or comparable severe weather.
- Renewals of the company's expiring policies may be written in the normal manner providing there is no increase in exposure to the company.
- Normal binding authority will resume 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.
- Applications with an effective date/postmark combination which violate the prohibitions listed above will be rejected and no coverage will have existed.

Agents are responsible for enforcing these temporary binding restrictions, whether the company issues a bulletin or the system is modified to prevent binding.

Rule 2.03 Policy Period

Rule 2.03.01 Semi-Annual Program

A policy may be written for a period of 6 months and subsequent policy periods will renew for a period of 6 months.

Rule 2.03.02 Annual Program

Not available

Rule 2.04 Driver Rating

The following drivers must be listed on the policy; however, they may qualify to be excluded:

- All residents of permit or legal driving age, regardless if they drive a vehicle
- Any other drivers that operate an insured vehicle on the policy
- Registered Owner

This information should be obtained from the prospective insured by asking who lives in the household and who outside the household drives the listed vehicles. The insured must notify their agent or the Company of any changes in household members or drivers of insured vehicles over the life of the policy.

Rule 2.04.01 Excluded Drivers

- The Named Insured may not be excluded.
- You cannot exclude drivers from specific vehicles on the policy.
- Individuals requiring an SR-22 filing may not be excluded.
- A spouse may be excluded; additionally, any non-driving, non-licensed spouse must be excluded.
- Registered owners must be listed, however, may be excluded.
- Household residents with stand-alone coverage must be listed, however, may be excluded.
- Individuals who have never been licensed are unacceptable risks and must be excluded.
- Individuals who have never been licensed are unacceptable risks and must be excluded. Even if excluded on the policy, in compliance with Insurance Code Section 1952.060(d). Unlicensed named insureds and unlicensed resident relatives must be covered while operating a temporary vehicle.

Rule 2.04.02 Driver Classification

Driver Class is determined by Age, Gender, and Marital Status of the rated driver.

- (i) Age

Use the age attained as of the effective date of the policy. Policies will not be re-rated mid-term to change the age classification of a driver. For drivers added with mid-term endorsements, use the endorsement effective date to determine age.
- (ii) Gender

Use the gender indicated on license or other acceptable form of identification.
- (iii) Marital Status

Only drivers who are legally married, deemed married by state law, or widowed will be classified as married. Drivers who are single, divorced, in a relationship that is not recognized by the state or who are married but choose to live separately (for reasons other than occupation or military) will be classified as single.

Common law or informal marriage is recognized in TX (Tex. Family Law §1.101; Tex. Family Law §2.401-2.402). The couple must meet certain requirements, including, but not limited to:

 1. Cohabitation, and
 2. Agreement in writing to be married, and
 3. Representation as married to the public.

Rule 2.04.03 Driver Discounts

Driver Discounts are multiplicative and may not apply to all coverages.

- (i) Foreign Driver's License
 - 1) A foreign driver's license factor will apply to any driver who is not a U.S. Citizen but is able to provide proof of international driver status.
 - 2) When an insured has both a U.S. license and Foreign Driver's license, the U.S. license prevails and not eligible for the Foreign Driver's license factor. This includes U.S. licenses with a status of revoked, cancelled, expired, and suspended.
 - 3) Acceptable proof includes:
 - a) International or foreign driver's license,
 - b) Non-U.S. Passport,
 - c) Mexican Voter Identification, or
 - d) Matricula or other consular ID.
 - 4) Agents are to retain copies of proof for records and documentation.
 - 5) Unverifiable driving record does not apply to drivers with an international license if proof is maintained in agency file.

Rule 2.04.04 Driver Surcharges

Driver Surcharges will be additive and may not apply to all coverages.

Accidents & Violations**(i) Procedural Rules**

- 1) The experience period will be the three years (36 Months) immediately preceding the date of application or the renewal effective date. When a driver is added mid-term, accidents and violations will be charged for the 36-month period prior to the driver added date.
- 2) The driving record of all drivers who customarily operate the autos being insured will be used for the purpose of determining chargeable accidents and violations.
- 3) When multiple violations occur in a single day (including multiple convictions resulting from a single occurrence), apply the most serious violation, based on the following ranking. However, if an accident occurs in conjunction with a DWI/DUI, then both violations will be considered.

Violation	Rank of Seriousness*
Major	1
DWI/DUI	2
At-Fault Accident	3
Intermediate	4
Minor	5
* 1 is the most serious and 5 is the least serious	

- 4) Use the occurrence date for all infractions
- 5) Accidents and violations incurred while operating a motorcycle or commercial vehicle are chargeable.
- 6) Accidents and violations incurred out-of-state while operating an Auto, motorcycle, or commercial vehicle are chargeable.
- 7) All accidents are considered at-fault (AF), unless proof of not-at-fault (NAF) is furnished with the application. Acceptable proof includes: a police report, an experience letter from the prior company, or proof of another company's payment.
- 8) Accidents involving animals are NAF. Accidents involving hitting another vehicle or object as a result of animals are AF.
- 9) Point charges are made based upon driver history information contained on the application, state motor vehicle report (MVR), or other consumer reports.
- 10) Permissive use accidents are accidents in which the permissive use driver was not listed on the policy at the time of the claim. If the permissive driver is not added to the policy, the permissive use claim will be applied to the

named insured and is subject to the same violation chargeability period as all other accidents and violations.

- 11) Accidents are chargeable when a minimum threshold of \$1 is paid for BI, PD, or COLL losses; or \$1,000 is paid for OTC losses.

(ii) Point Assignment

Violation points may vary whether it's the first or subsequent occurrence.

Violation	1 st Occurrence	Each Additional
Other than Collision Claim (≥\$1,000)	1	1
Minor Violation ¹	1	2
Intermediate Violation ¹	3	4
Accident (At-Fault)	3	3
DUI/DWI or any drug related violation	2	5
Major Violation ¹	5	5
Manslaughter or Negligent Homicide	12	12
Non Chargeable Violations	0	0
Accident (Not-At-Fault)	0	0
Unverifiable MVR	3	N/A
All Other non-Moving Violations	0	0

¹See tables below for description of violations

Major Violations
Driving while License Suspended or Revoked
Failure to stop and render aid
Felony involving vehicle
Hit and Run
Leaving scene of accident
Reckless driving
Negligent driving
Drag Racing/Speed contest (organized or unorganized)
Careless driving
Fleeing or attempting to elude a police officer
Unlicensed or Excluded driver operating a vehicle

Intermediate Violations
Altered Driver's License
Driving on Sidewalk
Driving without valid license or with an expired license
Education program required
Excessive acceleration
Failure to control vehicle
Passing stopped school bus
Driving Wrong Side of Road
Wrong way on a one-way
Speeding in excess of 20 MPH over posted limit
Unlawful use of a Driver's License
Driving too fast for conditions

Minor Violations
Speeding (<=20 MPH over posted limit)
Vehicle equipment violations
Seatbelt violations
All Other moving violations not listed under Intermediate or Major Violations

(iii) Exceptions to Chargeable Violations

"Administrative" violations, such as:

- a) Failure to have operator's or chauffeur's license in possession (provided person actually has a license at the time).
- b) Failure to display current license plates, registration stickers or inspection stickers provided they are in existence, as required.
- c) Failure to provide proof of insurance when required.

(iv) Exceptions to Chargeable Accidents

- a) Auto lawfully parked (if the parked vehicle rolls from the parked position, then any such accident is charged to the person who parked the auto);
- b) The applicant, owner, or other resident operator is
 - i) Determined to be 50% or less negligent, or
 - ii) Reimbursed for 50% or more of damages
 On behalf of, or by, a person who is responsible for the accident or has a judgment against such person;
- c) Auto is struck in the rear by another vehicle and the applicant or other resident operator has not been convicted of a moving traffic violation in connection with this accident;
- d) Operator of the other auto involved in the accident was convicted of a moving traffic violation and the applicant or resident operator was not convicted of a moving traffic violation in connection with the accident;
- e) Auto operated by the applicant or any resident operator is struck by a "hit-and-run" vehicle, if the accident is reported to the proper authority within 24 hours by the applicant or resident operator;
- f) Accidents involving damage by contact with animals or fowl;
- g) Accidents involving Physical Damage, limited to and caused by flying gravel, missiles, or falling objects;
- h) Accidents occurring when using auto in response to an emergency, if the operator of the auto at the time of the accident was a paid or

volunteer member of any Police or Fire Department, First Aid Squad, or any law enforcement agency. This exception does not include an accident occurring after the auto ceases to be used in response to such emergency.

(v) Point Factor and Violation Age

For each rated driver, total all chargeable points and determine violation age. The violation age is defined to be the number of months between the occurrence date of the most recent chargeable accident or violation assigned to a driver and the effective date of the new business or renewal policy. These two components will determine the appropriate point factor.

(vi) Accident and Violation Aging

The accident and violation surcharge decreases as the violation age increases.

Student Away at School with Vehicle

- (i) Rated drivers under the age of 25 attending an out-of-state school with a covered auto are not eligible.
- (ii) Rated drivers under the age of 25 attending an in-state school with a covered auto are eligible. The vehicle will be rated based on garaging address.

Rule 2.04.05 Average Driver Class Factor

- (i) The Average Driver Class Factor is the average of the Developed Driver Factors for all eligible to be rated drivers. For policies where there are more drivers than vehicles, the Household Risk Factor is the average of the highest ranked drivers, up to the number of vehicles. The rank is determined using the Developed Driver Factor for BI from highest to lowest (highest factor = highest rank).
- (ii) The developed Average Driver Factor is applied to all autos and coverages rated on the policy. The Average Driver Factor is applied to all selected coverages, except Rental Reimbursement and Towing & Labor Reimbursement.
- (iii) This process will be completed at each renewal to confirm the highest rated driver(s), as this may be impacted by claims or violations occurring in the prior term. Any time a driver is deleted or added to the policy, driver ranking will be recalculated (use applicable violations or accidents for the added driver).

Rule 2.05 Vehicle Rating**Rule 2.05.01 Model Year**

- (i) The model year of the auto is determined by the manufacturer.
 - 1) For Rebuilt or Structurally Altered Autos, the model year of the chassis determines the model year of the auto.

Rule 2.05.02 Vehicle Use

- (i) Classify the primary use of the auto:
 - 1) Business Use means that the use of the auto is required by or customarily involved in the duties of an operator in an occupation, profession, or business, other than commute to the principal place of occupation, profession, or business.
 - 2) Artisan Use means that the use of the auto is required by or customarily involved in the duties of an operator to carry tools or supplies between the garaging location and job sites.
 - 3) Pleasure Use means:
 - a) No Business, Artisan, or Farm Use
 - b) Includes Personal use
 - c) Includes work or school commute less than 3 days per week
 - 4) Work Commute:
 - a) No Business, Artisan, or Farm Use
 - b) Includes Personal use
 - c) Includes work or school commute 3 or more days per week
- (ii) Business Use and Artisan Use
 - 1) Incidental Business Use or Artisan Use is acceptable, and includes:
 - a) Regular errands (trips to the bank, post office, etc.) completed in the course of normal business hours are acceptable.
 - b) Regular attendance at seminars, as a participant or attendee, held at various locations during normal business hours is acceptable.
 - c) Includes direct home sales products like Avon, Mary Kay, Amway, Tupperware, Longaberger
 - 2) Business Use or Artisan Use is not incidental and is not acceptable when:
 - a) More than 3 job sites are visited on a daily basis.
 - b) Auto has a Gross Vehicle Weight greater than or equal to 11,500 pounds.
 - c) More than one auto in household qualifies for Business Use or Artisan Use.
 - d) Auto is used for deliveries, including, but not limited to: livery or public conveyance, pizza delivery, courier services, and paper delivery.
 - e) Occupations or trades are: Pest Control, Roofing Contractor, Landscape, Lawn Care, and Painting.

- 3) Acceptable occupations that qualify for Incidental Business Use or Artisan Use include, but are not limited to:
 - a) Real Estate agents, insurance agents, clergy, charitable volunteers, doctors, or lawyers regularly visiting multiple locations on a daily basis are acceptable.
 - b) Sales, service, or repair representatives who use their own personal auto, provided they do not carry any explosives, flammable or otherwise hazardous material, or any equipment weighing more than 500 pounds are acceptable.
- 4) Photos of auto and a completed inspection form must be attached to the policy.

Rule 2.06 Program Discounts

The discounts described below are applied at the policy level. Discounts apply to all coverages, except Rental Reimbursement and Towing & Labor Reimbursement.

Rule 2.06.01 Multi-Car

- (i) A multi-car discount applies if we insure two or more autos on the same policy.
- (ii) The multi-car discount varies based on the presence of a youthful operator. A Youthful Operator is defined as being equal to or younger than 25 years, as of the effective date of the policy or endorsement. Policies will not be re-rated mid-term due to a change of age of a driver, unless the endorsement is the addition or removal of a youthful operator.

Rule 2.06.02 Prior Insurance

- (i) The Prior Insurance discount will be applied when the named insured has a personal private passenger auto policy providing at least 120 days of insurance during the last 6 months immediately prior to the policy effective date.
- (ii) Proof must be submitted to the Company within 2 days of policy issuance unless the discount is validated electronically. Follow on-screen messaging in the point of sale system to determine when proof documents are required. Proof should include the prior company's name, policy number, effective and expiration/cancellation dates, and it must also be maintained in the insured's file. Acceptable proof includes a policy declarations page, experience letter or ID card issued from the previous carrier, when monthly proof is provided, copies of all 4 terms must be included. Failure to provide valid proof will result in removal of the discount.
- (iii) Prior carrier is not Hallmark.
- (iv) The Prior Insurance and In-Agency Transfer discounts are mutually exclusive.

Rule 2.06.03 In-Agency Transfer

- (i) The In-Agency Transfer discount will be applied if the named insured has a personal private passenger auto policy with the same agency submitting the application to Hallmark, providing at least 120 days of insurance during the last 6 months immediately prior to the policy effective date.
- (ii) Proof must be submitted to the Company within 2 days of policy issuance unless the discount is validated electronically. Follow on-screen messaging in the point of sale system to determine when proof documents are required. Proof should include the prior company's name, policy number, effective and expiration/cancellation dates, and it must also be maintained in the insured's file. Acceptable proof includes a policy declarations page, experience letter or ID card issued from the previous carrier, when monthly proof is provided, copies of all 4 terms must be included. Failure to provide valid proof will result in removal of the discount.
- (iii) Prior carrier is not Hallmark.
- (iv) The Prior Insurance and In-Agency Transfer discounts are mutually exclusive.

Rule 2.06.04 Prior Hallmark Insurance

- (i) The prior Hallmark insurance discount will be applied if the named insured has a personal private passenger auto policy with Hallmark, providing at least 120 days of insurance during the last 6 months immediately prior to the policy effective date that was with Hallmark.

Rule 2.06.05 Recurring Payment

- (i) A discount factor will apply when the customer chooses to have an automatic deduction taken from their bank account or through a credit card.
- (ii) If the insured adds or removes this payment option mid-term, the discount will be calculated pro-rata.

Rule 2.06.06 Paid-in-Full

- (i) A paid-in-full discount factor is applied when the total policy premium plus fees is collected at the inception of the policy. If the policy is changed to an instalment plan mid-term, the discount will be removed effective the date of the payment plan change.

Rule 2.06.07 Homeownership

- (i) Named Insured or spouse must own and reside in a house, condo, mobile home, or townhouse (garaging must be the same). For purposes of this discount, Renters does not qualify.
- (ii) Proof of home ownership must be submitted in the form of Insurance Dec page, property tax bill, deed, or mortgage payment slip and maintained in the insured's file.

Rule 2.06.08 Multi-Policy

- (i) The multi-policy discount factor applies if the named insured has a PPA and HO4 policy insured with Hallmark. Multiple PPA policies or multiple HO4 policies in the same household will not qualify.

Rule 2.06.09 Advanced Quote

- (i) The policy is eligible for the Advanced Quote Discount factor (AQD) if the application is bound and required premium is paid two (2) or more days in advance of the policy effective date.
- (ii) This discount does not apply to policies that are part of an in-agency transfer.

Rule 2.07 Program Surcharges**Rule 2.07.01 Excluded Driver**

While designating a driver as "excluded" may increase the policy premium, the violation and accident history of the excluded driver does not affect premium. The Excluded Driver surcharge does not apply to the Named Non-Owner policy type.

Rule 2.07.02 Certified Risks – Financial Responsibility Laws

If an owner is required to file evidence of financial responsibility for owned autos and for the operation of autos which they do not own, the additional premium shall be computed by applying the proper surcharge to the sum of the policy premium.

The Company will file only in the policy state. Filing is not available for excluded drivers.

Rule 2.07.03 Prohibited or Ineligible Risk

If prohibited or ineligible drivers or vehicles are added during the policy period and outside the cancellation period, the surcharge will be applied. The policy will be non-renewed when permitted by statute.

Rule 2.08 Premium Rounding

The premium for each exposure will be rounded to the nearest whole dollar, separately, for each coverage provided by the policy.

- (i) The phrase "each exposure" as used herein will mean each premium developed (after the application of all applicable adjustments) for (1) each auto, if written on a per car basis, and (2) for all other auto business.

A premium involving \$.50 or more will be rounded to the next higher whole dollar.

This procedure will apply to all interim premium adjustments, including endorsements or cancellations.

Rule 2.09 Changes to Policy

All changes requiring premium adjustments will be computed pro rata, with the following exceptions:

- (i) A policy will not be changed mid-term because of the attained age of an operator of the auto.
- (ii) A policy will not be changed mid-term because of a change in an operator's accident or conviction history.
- (iii) A policy will not be changed mid-term solely due to a change in symbol assignment.

All endorsements that generate an additional premium must be paid pursuant to the calculation of premium due as generated by the policy system. Examples may include but not limited to: adding an auto; coverage or driver, territory address change; or driver class change. For date and time bound, please refer to Rule 2.02.

To process endorsement requests submitted through the mail, we require:

- Agent number and name of representative handling request for change
- Policy number, effective date, and requested change with all required information
- Additional premium, if adding coverage

Signed endorsement requests are required for the following:

- Addition or Deletion of UM/UMPD or PIP coverages
- Deletion or reduction of any coverage or auto
- Request to exclude a driver
- Insured requested cancellations

Note: Any change request to reduce or delete coverage, or cancel per insured request, processed by the agent of record through the Point of Sale system, or originating from the agent and submitted to the company, will be processed with the understanding and presumption the agency has obtained and will retain the required signature in the agency file.

Rule 2.10 Rate Stability with Rate Capping

To increase customer satisfaction, we cap significant premium changes on renewal policies that are due to change in our rating structure. This process will take place at every renewal.

Rule 2.11 Cancellation of Policy

If a policy, auto, or form of coverage is canceled by the company or insured, compute return premium pro rata.

Cancellations are effective no earlier than the date and time the cancellation request signed by the named insured is received, unless acceptable proof of replacement coverage is provided.

Flat Cancellations will not be approved unless:

- (i) The Company is relieved of the obligation to provide coverage to the Insured and Lienholder (if applicable) by showing proof of replacement coverage.
- (ii) The insured's down payment is returned to the company or agent due to insufficient funds.

Rule 2.12 Reinstatement of Policy

Policies in cancel pending status due to missed payments will be reinstated if payment is received prior to the cancel date. Payment must include late payment fee if received after the due date.

Policies cancelling for non-payment may be eligible for reinstatement within 30 days of the cancellation effective date. Reinstatements without a lapse in coverage require full payment including any applicable late fee and a signed Statement of No Loss.

Policies reinstating with a coverage lapse require full payment including any applicable late fee.

For payments received after the cancel date, see Rule 2.13 Rewrite.

Rule 2.13 Rewrite of Policy

Policies cancelling for non-payment may be rewritten within 60 days of the date of cancellation. If all policy characteristics remain the same compared to the cancelled policy, simply bring up the cancelled policy in our policy system and click the Rewrite button. When rewriting a policy, please ensure all eligible coverages transfer to the new policy. All outstanding balances on cancelled policies must be paid before the insured is rewritten.

The rewrite policy will be written with a full policy period.

Rule 2.14 Renewals**Rule 2.14.01 Semi-Annual**

Renewal offers are mailed directly to the insured approximately 30 days prior to the renewal payment due date. If payment is not received by the due date, the renewal offer will expire. If payment is received within 30 days of the renewal offer expiring, a renewal will generate with a lapse in coverage. For mailed payments, the renewal effective date will be the payment date plus one day at 12:01 AM. For payments posted in the policy system, the renewal effective date will be the payment date and time.

Rule 2.15 Rating Territories

All territories are determined according to the zip code in which the auto is garaged.

The Rate Manual displays rates by territory.

The Territory Pages contain the definition and code for each rating territory.

- (i) Each territory includes a specific area for rating purposes, which, in total, encompass the entire state. Therefore, the following provisions apply:
 - 1) Any city, town, borough, village, or zip code not mentioned within a defined territory, but falling within its boundaries, will take the rate for that territory.
 - 2) For autos principally garaged outside the state, use the Out of State territory definition and corresponding rate. See Rule 3.03 Unacceptable Vehicles.

Rule 2.16 Investigative Reports**Rule 2.16.01 Financial Responsibility Report**

A financial responsibility report will be ordered for the first Named Insured for all new business. The Insurance Score returned by this report is used, in combination with other rating components, to determine the total policy premium. The Company, upon request of an insured at the time of a policy's anniversary date, will re-tier and re-rate the insureds policy based upon a current Insurance Score. The rating tier may stay the same, deteriorate, or improve based on the re-ordered report.

Include full name, address, date of birth, and last four digits of the Social Security number to avoid inaccurate or unavailable financial responsibility information. A customer may refuse to provide their partial Social Security number, but in this case, we may not be able to confirm financial responsibility.

Hallmark County Mutual Insurance Company will not decline to issue, cancel, non-renew, or otherwise terminate property and casualty insurance covering personal risks solely because of:

- (i) Credit history;
- (ii) Lack of credit history; or
- (iii) The following extraordinary life circumstances that directly influence the credit history of the applicant or insured:
 - 1) Catastrophic event, as declared by the federal or state government;
 - 2) Serious illness or injury, or serious illness or injury to an immediate family member;
 - 3) Death of a spouse, child, or parent;
 - 4) Divorce or involuntary interruption of legally owed alimony or support payments;
 - 5) Identity theft or fraud;
 - 6) Temporary loss of employment for a period of three (3) months or more, if it results from involuntary termination; or
 - 7) Military deployment overseas.

Rule 2.16.02 Driver Discovery Report

A driver discovery report will be ordered based on the garaging address to identify any undisclosed household members. Identified household members must be rated or excluded.

Rule 2.16.03 Vehicle History Report

A Vehicle History score will be ordered on all vehicles at new business and when a vehicle is added to the policy. A surcharge may apply based on events from the vehicle history.

Rule 2.16.04 Accident and Violation History

Prior accident and violation activity will be gathered for all rated drivers on the policy. Information used in rating is provided by the named insured, rated drivers, Company experience, and public information, including, but not limited to, state motor vehicle reports (MVR).

Rule 2.16.05 Loss History

A loss history report will be ordered for rated drivers at new business. Chargeable losses not currently accounted for in the driver surcharges will be included. Any chargeable losses incurred during any policy period with the Company will be accounted for in future renewals.

Rule 2.17 Service Fees

Policies may be subject to the following service fees during the policy period. See the Rate Manual for applicable charges.

Rule 2.17.01 Policy Fee

The policy fee is earned as billed during the policy period. The fee applies to all policy periods.

Rule 2.17.02 Installment Fee

The installment fee is fully earned per occurrence. The fee applies to all payments that cover only a portion of the total policy premium. The fee may vary by payment method.

Rule 2.17.03 Late Payment Fee

The late payment fee is fully earned per occurrence. The fee applies to any payment received after the payment due date.

Rule 2.17.04 Non-Sufficient Funds (NSF) Fee

The NSF fee is fully earned per occurrence. The fee applies to any payment returned by the bank for non-sufficient funds.

Rule 2.17.05 SR-22 Filing Fee

The SR-22 filing fee is fully earned per filing. The fee applies if an individual is required to file evidence of financial responsibility for owned autos and for the operation of autos which they do not own.

Rule 2.17.06 Reinstatement Fee

The Reinstatement fee is fully earned per occurrence. The fee applies any time the policy is reinstated if the policy was cancelled due to non-payment of premium.

Rule 2.18 Outstanding Customer Balance Verification

The company will verify whether any driver has an outstanding balance with a member company of Hallmark Financial Services. If so, your customer will have to make the initial payment in addition to paying the outstanding balance before you can bind coverage. If the Company also finds that your customer has a record of an NSF with us, your customer will need to pay the outstanding balance and initial payment with cash, by credit card, or certified check to complete the sale.

Rule 2.19 Uninsurable Risk Verification

The Company will verify whether your customer has ever been cancelled or not renewed by us due to: misrepresentation, misrepresentation on a claim, fraud or misrepresentation on an application, fraud on a claim, lack of cooperation in a fraud investigation, or record of an unauthorized or counterfeit payment. If the Company determines a rated driver is an uninsurable risk, the quoting system will inform you and you must tell the customer. You will not be able to complete the quote. Uninsurable risks may be excluded.

3. ELIGIBILITY GUIDELINES

Rule 3.01 Policy-Level Guidelines

The Company reserves the right to make the final underwriting decision on the acceptance or continuation of every risk. A combination of factors may cause an application or risk to be unacceptable. Please refer to the following rules under section 3 for the description of unacceptable factors.

Rule 3.01.01 Eligible Policies

A Personal Auto Policy will be used to afford coverage to private passenger autos if:

- (i) They are written on a specified auto basis, and
- (ii) They are owned by an individual or by a husband and wife who are residents in the same household.

A Personal Auto Policy will be used to afford coverage to private passenger autos which are owned jointly by two or more:

- (i) Resident relatives other than husband and wife;
- (ii) Resident individuals; or
- (iii) Non-resident relatives, including a non-resident husband and wife, if:
 - 1) They are written on a specified auto basis;
 - 2) The policy affords coverage only for such private passenger autos, pickups or vans which are jointly owned.

A Personal Auto Policy will be used to afford coverage to a named individual who does not own an auto. The named non-owner coverage endorsement must be attached.

Rule 3.01.02 Unacceptable Policies

Any policy with three (3) or more claims regardless of fault, within the most recent 12-month time period is ineligible for coverage. Excludes T&L and RR claims.

Any policy with four (4) or more Towing & Labor claims with payout greater than \$0 within the most recent 36 month time period is ineligible for Towing & Labor coverage.

More than one auto policy per household is ineligible for coverage; except for (1) children who own their own vehicles, or (2) unrelated resident roommates.

Policies with more than six (6) listed autos are ineligible for coverage.

Policies with more than two (2) vehicles in excess of number of rated drivers.

Policies without Liability coverage are not acceptable. Physical Damage only policies are not eligible for coverage.

Policies with more than one named insured. Policies insuring vehicles from multiple households; vehicles from multiple households may not be listed on a single policy. Does not apply to students away at school with a vehicle.

Rule 3.01.03 Unacceptable Named Insured

Named insureds under the age of 18.

Named Insureds who move out of state during the policy period.

A Named Insured refusing to disclose information requested on the application is ineligible for coverage.

A Named Insured failing to respond to a request for information by Hallmark staff or fails to cooperate with a Hallmark claims investigation is considered an ineligible risk. The policy will be cancelled if within the cancellation period. Otherwise, the ineligible risk surcharge will be applied and the policy will be non-renewed as permitted by statute.

A driver listed as Named Insured on multiple auto policies is unacceptable.

A Named Insured who allows undisclosed, unlicensed or excluded operators, including operators under the minimum age for state licensing, to operate autos on the policy will be considered an ineligible risk.

Rule 3.01.04 Prior Approval Required

Prior approval from Underwriting is required for single-car policies in which the identity and experience of the Named Insured cannot be verified at point-of-sale through automated Underwriting Report ordering. Effective 11/6/2017 for New business only.

Rule 3.02 Driver-Level Guidelines**Rule 3.02.01 Eligible Drivers**

The following drivers are eligible for coverage, unless Rule 3.02.02 supersedes.

- (i) Named insured, spouse, and family members and non-relatives residing in the household are eligible drivers.
- (ii) Dependent child, ward, or foster child who temporarily resides elsewhere while away at school or in the armed forces.
- (iii) Spouse who temporarily resides elsewhere while engaged with full-time employment or in the armed forces.

Rule 3.02.02 Unacceptable Drivers

Ineligible Drivers must be listed as an excluded driver on the policy.

Drivers with a revoked or cancelled license are Ineligible. Drivers without a permanent, verifiable, residence address in the state in which the policy is issued, or who resides in the state in which the policy is issued less than nine (9) months a year, including migrant or transient workers are ineligible.

Drivers convicted of insurance fraud, vehicular homicide, vehicular manslaughter, assault with a motor vehicle, or negligent vehicular homicide are ineligible.

Drivers with more than 10 accident & violation points are ineligible.

Drivers who have been involved in three (3) or more at-fault accidents in the past three (3) years are ineligible.

Drivers with more than 1 DWI/DUI or other alcohol or drug related violations in the past 3 years are ineligible.

Unless an auto has been modified to offset their impairment, drivers with a physical or mental impairment, including impairments resulting from aging, which affects their ability to drive, are ineligible. Any Custom Equipment must be fully described. Driver must submit a medical statement indicating their ability to drive safely.

Any drivers that are an employee of, or a family member of, an employee of Hallmark or an affiliated company are ineligible.

A driver failing to respond to a request for information by Hallmark staff or fails to cooperate with a Hallmark claims investigation is considered an ineligible risk. The policy will be cancelled if within the cancellation period. Otherwise, the ineligible risk surcharge will be applied and the policy will be non-renewed as permitted by statute.

Rule 3.03 Vehicle-Level Guidelines**Rule 3.03.01 Eligible Vehicles**

Private passenger automobiles including cars, vans, pickup trucks and utility vehicles are eligible for coverage. Autos must be owned or leased by an individual and may not be used for commercial purposes.

Vehicle Use

- (i) Pleasure Use, or
- (ii) Commute Use, or
- (iii) Business Use, or
- (iv) Artisan Use

A Vehicle Inspection Form and Photos are required to be submitted to the company for the following risks. Underwriting retains the right to decline the vehicle risk.

- (i) If a vehicle with an incomplete chassis is submitted.
- (ii) If a vehicle with physical damage has pre-existing damage.
- (iii) If a vehicle is listed as business or artisan use.
- (iv) If a vehicle has custom equipment.
- (v) If a vehicle has Comprehensive, Collision, or UMPD coverage

Rule 3.03.02 Unacceptable Vehicles

Police, Security, Emergency, or any other related public service type vehicles, regardless of the use are ineligible.

Vans, pickups, utility vehicles and panel trucks with a GVW greater than or equal to 11,500 pounds and/or payload capacity greater than or equal to 4,050 pounds are ineligible.

Antique; classic; limited edition; rare; custom built, including kit cars; one of a kind; restored; or highly customized vehicles are ineligible.

- (i) Antique & Classic vehicles include any car that is purchased as a collectible, that is not used for regular road driving, or that is used in shows.
- (ii) Limited Edition and Rare vehicles are manufactured in a limited production run, generally with under 10,000 vehicles assembled.

Any commercial vehicle, flat or stake bed trucks, panel vans, step vans, car carriers, dump trucks or wreckers are ineligible. Vehicles used for any type of towing or transport, including car carriers and wreckers, are ineligible.

Vehicles with altered suspensions, including lift kits greater than six inches or low riders, are ineligible. However, lift kits of six inches or less are acceptable if registered for street use. **Reminder:** To insure the value of after-market installed equipment (which is not covered by Comprehensive and Collision Coverages) including lift kits, custom tires and rims, the insured should purchase Custom Equipment Coverage.

Any vehicle with rims or elbow rims that protrude more than 2 inches from the walls of a tire is ineligible.

Any vehicle with negative wheel camber is ineligible.

Any vehicle designed, equipped, prepared, or used in any form for racing or show is ineligible.

Any vehicle used for any type of pick up or delivery including, but not limited to: pizza, magazine, newspaper, mail delivery, or transportation service, even on an occasional basis with or without compensation are ineligible.

Any vehicle used for any type of food service including, but not limited to: catering, prepared food trucks, meals on wheels, ice cream trucks, mobile food stands/trucks.

Any vehicle owned or leased by a business, organization, or corporation, public or private are ineligible.

Electric Vehicles are ineligible.

Exception: Any newly acquired vehicle that meets the definition in Section 1952.059(c) will be covered as required by Texas law. Such vehicles will be rated/surcharged accordingly. They may be marked for non-renewal. Please contact the Underwriting department to add.

Vehicles used for public or livery conveyance, including vehicles used to transport church members, daycare/nursery school children, migrant workers or hotel guests and vehicles used as taxis or limousines, are ineligible.

Vehicles leased or rented to other operators by the named insured are ineligible.

Grey Market vehicles or vehicles not originally manufactured to meet U.S. standards are ineligible.

Vehicles that are made available to unlisted drivers or multiple drivers for any use including vehicles used in ride sharing programs, business use such as sales, farming, or artisan use are ineligible.

Any vehicle with more or less than four (4) wheels, including duals, are ineligible.

Motorcycles, snowmobiles, all-terrain vehicles, dune buggies, motor homes, buses, mini-buses, camper vans or golf carts or similar type vehicles are ineligible.

Vehicles with a Junk Title or Dismantled Title are ineligible.

Vehicles carrying explosives or flammable substances, even on an occasional basis are ineligible.

Vehicles deemed to be an unusually high risk due to vehicle attributes, vehicle performance, or parts availability.

Any vehicles equipped for snow plowing are ineligible.

More than one Business Use or Artisan Use vehicle per household is ineligible.

Vehicles rated as Farm Use are ineligible.

Trailers and Travel Trailers are ineligible.

Vehicles not registered to the named insured are unacceptable unless the owner of the vehicle is a household member and is listed as a driver or is excluded.

Vehicles without a physical garaging address are ineligible.

Vehicles garaged out of state are ineligible.

Rule 3.03.03 Vehicles Ineligible for Physical Damage Coverage

Vehicles with a Manufacturer Suggested Retail Price (MSRP) in excess of \$45,000, after depreciation is considered, are ineligible.

Vehicles greater than 20 years old are ineligible.

Vehicles with an incomplete chassis are ineligible.

Vehicles with a police report indicating the vehicle was severely damaged in an accident are ineligible.

Vehicles used as a crash test vehicle are ineligible.

Vehicles listed in recycler inventory are ineligible.

Vehicles with a previous airbag deployment are ineligible.

Vehicles with a failed frame mechanical inspection are ineligible.

Vehicles reported as stolen are ineligible.

Exception: Any newly acquired vehicle that meets the definition in Section 1952.059(c) will be covered as required by Texas law if the insured has purchased physical damage coverage on the vehicle.

Such vehicles will be rated/surcharged accordingly. They may be marked for non-renewal. Please contact the Underwriting department to add.

4. COVERAGE DESCRIPTIONS & RULES – LIABILITY

Rule 4.01 Bodily Injury Coverage

Bodily Injury (BI) coverage applies at the policy level.

All autos must be at the same limit of liability.

Limit of Liability options:

BI Limits	Limit per Person	Limit per Occurrence
30/60	\$30,000	\$60,000
50/100	\$50,000	\$100,000

Rule 4.02 Property Damage Coverage

Property Damage (PD) coverage applies at the policy level.

All autos must be at the same limit of liability.

Limit of Liability options:

PD Limits	Limit per Occurrence
25	\$25,000
50	\$50,000

Available options contingent upon selected BI Limits. Selected PD Limits cannot exceed BI Limit per Person.

Rule 4.03 Uninsured/Underinsured Motorists Bodily Injury Coverage

Uninsured/Underinsured Motorists Bodily Injury (UMBI) coverage must be offered, but can be rejected by the applicant or named insured.

- (i) The applicant or named insured must sign UMBI Rejection form if offer of coverage is declined.

UMBI coverage applies at the policy level.

All autos must be at the same limit of liability.

UMBI Limits	Limit per Person	Limit per Occurrence
30/60	\$30,000	\$60,000
50/100	\$50,000	\$100,000

Available options contingent upon selected BI Limits. Selected UMBI Limits cannot exceed BI Limits.

Rule 4.04 Uninsured/Underinsured Motorists Property Damage Coverage

Uninsured/Underinsured Motorists Property Damage (UMPD) coverage must be offered, but can be rejected by the applicant or named insured.

- (i) The applicant or named insured must sign UMPD Rejection form if offer of coverage is declined.

UMPD coverage applies at the policy level.

All autos must be at the same limit of liability.

UMPD Limits	Limit per Occurrence
25	\$25,000
50	\$50,000

Available options contingent upon selected PD Limits. Selected UMPD Limits cannot exceed PD Limits.

5. COVERAGE DESCRIPTIONS & RULES – PHYSICAL DAMAGE

Rule 5.01 Collision and Other than Collision Coverage Rules

The model year of the auto is that assigned by the manufacturer.

Autos over 20 years old are unacceptable for Collision (COLL) or Other than Collision (OTC) coverage. Exception: Any newly acquired vehicle that meets the definition in Section 1952.059(c) will be covered as required by Texas law if the insured has purchased physical damage coverage on the vehicle.

COLL coverage is only available if OTC coverage is selected.

- (i) Auto with OTC-only coverage is NOT permitted. All vehicles must have Liability coverage.
- (ii) Custom Equipment is not permitted for vehicles without Collision coverage.

Rule 5.02 Deductibles

Autos of a multi-car risk may have different deductibles, if coverage is selected.

Selected COLL deductible cannot be less than the selected OTC deductible.

Deductible options:

Available COLL Deductibles	Available OTC Deductibles
\$500	\$500
\$1,000	\$1,000

Rule 5.03 Towing & Labor Reimbursement Coverage

Towing & Labor coverage applies on a per auto basis.

Available for Liability-only policies or policies with Physical Damage coverage.

Limit per Occurrence:

Available Limits per Occurrence
\$50
\$75

Rule 5.04 Rental Reimbursement Coverage

Rental Reimbursement (RR) Coverage applies on a per auto basis.

Available for Liability-only policies or policies with Physical Damage coverage.

RR Options:

RR Limits	Limit per Day	Maximum Reimbursement
20/600	\$20	\$600
30/900	\$30	\$900
40/1,200	\$40	\$1,200

Rule 5.05 Custom Equipment Coverage

All requests to cover special or custom equipment must include photos, a vehicle inspection, and additional premium. Customization may not exceed 50% of the current value of the auto without customization. Maximum available coverage is \$5,000 with a minimum premium of \$100.

Coverage for aftermarket custom equipment is NOT provided for any auto without additional premium charge. Custom Equipment is only available when OTC and COLL coverage is afforded.

Custom Equipment is considered to be any non-original equipment manufacturer (non-OEM) item or feature.

- (i) Custom Equipment is subject to the special Custom Equipment deductible.
- (ii) Custom Equipment is not covered unless specifically listed on the application or the Custom Equipment Endorsement form and the proper premium paid.
- (iii) The following items and their accessories are considered Custom Equipment:
 - 1) Special or custom paint finishes.
 - 2) Permanently installed stereo or other equipment that is designed for the recording and/or reproduction of sound, which has an actual cash value in excess of \$750, or citizen band radio(s) including any accessories and antennas or radio receivers.
 - 3) A pick-up cover, cap or shell, awning or cabana.
 - 4) Any ornamental or protective accessories which may include shields, bras, engine accessories, racing slicks, oversized or special tires, special wheels, or special wheel covers.
 - 5) Any equipment which changes the use or appearance of the interior of the insured auto, which may include swivel chairs, appliances, furniture, special carpeting, bars, or paneling.
 - 6) Any equipment which mechanically or structurally changes the insured car, or results in an increase in performance or change in appearance.
 - 7) Lift kits of 6 inches or less
- (iv) Coverage is not available for the following items or their accessories:
 - 1) Telephones, or
 - 2) Radar/Laser detectors, or
 - 3) Two-way mobile radios, or
 - 4) Scanning monitor receivers, or
 - 5) Televisions

6. COVERAGE DESCRIPTIONS & RULES – FIRST PARTY BENEFITS

Rule 6.01 Medical Payments Coverage

Medical Payments (MP) coverage limit is per person and applies at the policy level.

Limits of Liability options:

Available Limits
\$500
\$1,000
\$2,000
\$2,500
\$5,000

Rule 6.02 Personal Injury Protection Coverage

Personal Injury Protection (PIP) coverage limit is per person and applies at the policy level.

Limits of Liability options:

Available Limits
\$2,500

7. MISCELLANEOUS POLICY TYPES

Rule 7.01 Named Non-Owner Policy

The Named Non-Owner Coverage endorsement amends the policy so that it provides secondary Liability coverage (minimum limits only) for the named driver listed in the policy declarations page, while operating a non-owned private passenger automobile.

Motorcycles, mopeds, ATV's, motor homes, or any other recreational vehicles are not covered under this endorsement. Broad form policies are not available.

Non-Owner coverage may be written when an insured needs Liability coverage for the operation of a Private Passenger Automobile:

- (i) Not owned by the insured or a person living in the same household as the insured, or
- (ii) Not available for regular or frequent use by the insured.

Coverage applies only to the named insured and non-owned vehicles. There is no coverage for a spouse or any other person. Permissive use is not included.

Coverage does not apply to insureds that use vehicles in the course of business, incidental or otherwise.

Only minimum Liability Limits and First Party Benefits are available. Physical Damage coverage is not available.

SR-22's are permitted.

An auto can be added to a non-owner policy. The non-owner policy will then be converted to an auto policy. Normal binding authority applies.

8. TRAILING DOCUMENTS

It is the agents' responsibility to secure required documentation upon binding and retain this information in the insured's file based on the retention obligations in your state. Any and all documentation must be made available upon company request.

For certain policies, it is imperative to maintain proof of qualification for certain rating components. The policy system will prompt you to retain trailing documents. The chart below designates what proof should be agent retained and what proof requires submission to the Company.

Trailing Document	Required Documentation	Where to send Information
Application	A signed and dated application by the named insured and agent of record. Three (3) methods of obtaining the required signatures: 1. The application has been signed electronically in the policy system; or 2. The application has been signed electronically outside of the policy system; or 3. The application has been printed and signed by hand	1. Automatically attached to policy 2. Submit to Company and/or attached to policy electronically 3. Submit to Company and/or attached to policy
Business Use/Artisan Use	Photos of auto and a completed inspection form.	Submit to Company
Custom Equipment	Photos of auto and custom equipment and a completed inspection form.	Submit to Company
Excluded Drivers	When an excluded driver is added by endorsement, obtain a signed Driver Exclusion	Submit to Company
Foreign Driver's License	Agents are to submit copies of FDL proof for the named insured, including: International or foreign driver's license; Non-U.S. Passport; Mexican Voter Identification; or Matricula or other consular ID. Agents are to retain copies of the FDL Proof for drivers other than the Named Insured.	Submit to Company
Homeownership	Proof of homeownership must be submitted in the form of Insurance Dec page, property tax bill, deed, or mortgage payment slip.	Submit to Company
In-Agency Transfer	Proof should include the prior company's name, agent of record, policy number, effective and expiration/cancellation dates, and it must also be maintained in the insured's file. Acceptable proof includes a policy declarations page or experience letter issued from the previous carrier. When monthly proof is provided, copies of all 6 terms must be included.	Submit to Company
Not-at-fault accident	Proof must be submitted for accidents returned from reports ordered that an agent marks as not-at-fault.	Submit to Company
Prior Insurance	Proof should include the prior company's name, policy number, effective and expiration/cancellation dates, and it must also be maintained in the insured's file. Acceptable proof includes a policy declarations page, experience letter or ID card issued from the previous carrier. When monthly proof is provided, copies of all 6 terms must be included.	Submit to Company
Recurring Payment Authorization Form	A signed and dated authorization form is required if the Named Insured modifies their method of payment to Recurring Payment at any time, other than new business submission. At new business, the application includes the required documentation.	Submit to Company
UM and PIP Rejection Form	When UM and/or PIP coverage is changed by endorsement, obtain a signed UM & PIP Rejection form. Three (3) methods of obtaining the required signatures: 1. The application has been signed electronically in the policy system; or 2. The application has been signed electronically outside of the policy system; or 3. The application has been printed and signed by hand	1. Automatically attached to policy 2. Submit to Company and/or automatically attached to policy electronically 3. Submit to Company and/or automatically attached to policy electronically
Vehicle Inspection and Photos	Photos of auto and a completed inspection form. Required for the following: incomplete chassis vehicles; vehicles over 10,000 pounds; vehicles with existing damage; vehicles with a prior loss; vehicles rated Business Use or Artisan Use; vehicles with custom-equipment.	Submit to Company