



# Table of Contents

CONTACT INFORMATION .....	2
CLAIM REPORTING .....	2
GENERAL INFORMATION .....	2
IMPORTANT NOTES .....	3
BINDING .....	4
ENDORSEMENTS .....	4
SR-22 FILINGS.....	4
CANCELLATIONS.....	5
REFUNDS .....	5
PAYMENTS AND FEES .....	5
POLICY TYPES .....	6
COVERAGES.....	9
UNDERWRITING RULES.....	9
UNACCEPTABLE RISKS.....	10
RATING RULES.....	12
DISCOUNTS.....	13
SURCHARGES.....	13
DRIVER VIOLATIONS AND ACCIDENTS.....	14
COMPLIANCE WITH STATUTES.....	16

## CONTACT INFORMATION

### Phone Numbers

Customer Service: (830) 210-1062 Toll Free: (888) 218-4551

Claims: (830) 210-1063 Toll Free: (844) 242-0012

### Fax Numbers

Customer Service: (830) 205-9002 Claims: (830) 205-9003

### Address

Hillco General Agency  
P.O. Box 310  
Marble Falls, TX 78654

### Website Address

[www.hillcoga.com](http://www.hillcoga.com)

### Email Addresses

Customer Service/New Applications/Endorsements: [underwritingHG@hillcoga.com](mailto:underwritingHG@hillcoga.com)  
Claims: [claimsHG@hillcoga.com](mailto:claimsHG@hillcoga.com)  
Marketing: [marketingHG@hillcoga.com](mailto:marketingHG@hillcoga.com)  
Accounting: [accountingHG@hillcoga.com](mailto:accountingHG@hillcoga.com)

## CLAIM REPORTING

Regardless of how minor, all accidents must be reported to Hillco General Agency immediately, by the named insured, insured driver, claimant or producer. Phone numbers are provided above and claims may also be submitted 24 hours a day 7 days a week on our website at [www.hillcoga.com/accident\\_report.html](http://www.hillcoga.com/accident_report.html).

Immediate, direct reporting allows Hillco to more accurately assess the damages and circumstances of a loss and will drastically speed up the claims handling process.

Producer does not have the authority to handle, adjust or settle any claim.

## GENERAL INFORMATION

1. Policy terms of 1, 2, 3 and 6 months are available. Policies of a term less than 6 months MUST BE PAID IN FULL at the time of binding. See the payment plans section of this guide for plans available on a semi-annual term.
2. All applications must be consistent with the written program guidelines contained herein and the Hillco Sub-Producer Agreement. All information on the application must be accurately completed. Material misrepresentation may result in the denial of coverage and the policy will be considered null and void.

3. If an application or an endorsement contains UMBI, UMPD, PIP, Comprehensive or Collision coverage, two (2) clear color photos showing all four (4) sides of the vehicle must be submitted with the application.
4. All agents are required to abide by the Texas Department of Insurance Rules and Regulations regarding the execution and binding of insurance policies. Any violations could result in the policy being null and void, expose the agency to an Errors and Omissions claim or even void the agency contract with the Company.
5. The policy fee applies to all new and renewal policies. This fee is fully earned at inception however it will be spread evenly among the monthly installments for semi-annual policies. Policy fees not yet invoiced when policies cancel will be treated as uncollectable and credited back to the policy.
6. A fee must be paid to the Motor Vehicle Crime Preventions Authority (MVCPA). This fee is fully earned at policy inception for both new and renewal policies.
7. Commission on policies will be paid within twenty (20) days after the end of a month. All commission activity is netted out on "Agent's Monthly Statement" and paid accordingly. If there is a balance due back to HGA, the agent must submit payment upon receipt of statement.
8. Hillco forms are required to be used for the processing of all HGA business. All forms are available on our website. ([www.hillcoga.com](http://www.hillcoga.com))
9. If there is a quote discrepancy between our system and a comparison rating system or other online rater, the rate from our system will be the correct rate. Please notify us immediately of any discrepancies so we can take steps to correct the issue.

## IMPORTANT NOTES

1. No flat cancellations will be allowed on any policy returned after the inception date. All cancellation requests must be in writing and must include the reason for cancellation. A policy may be flat cancelled if we receive proof of duplicate coverage or if the down payment on a new or renewal term is returned for insufficient funds.
2. All policy cancellations by the company will be pro-rata using a pro rata calculation.
3. On a check or ACH returned for non-sufficient funds, or a recurring credit/debit card payment which payment is declined, on the initial payment for a new or renewal policy term, the policy shall be null and void and no coverage shall apply. The policy will not be reinstated.
4. We may order MVR's, background checks, household driver reports or other relevant reports for the discovery of potential drivers, vehicles, violations or accidents. Please encourage the insured to fully disclose all household residents, or drivers who may operate the vehicle on a regular or in frequent basis, and the driving records of all drivers listed to avoid the need for premium adjustments or cancellations. Drivers that the insured chooses to not be rated may be excluded by name with the completion of a Named Driver Endorsement form (515A).
5. Reinstatement or renewal of policies without a lapse in coverage will not be allowed if payment is not made or postmarked prior to the renewal or cancellation date. Policies may be reinstated or renewed with a lapse in coverage if the minimum payment to reinstate or renew the policy is paid with a reinstatement fee. The reinstatement or renewal date will be at 12:01 AM the date following the receipt of payment or the postmark date if the payment is mailed to Hillco General Agency. Coverage will be bound as of the date and time the payment is received. No premium will be charged for the period of time which the policy was not in effect.

## BINDING

All risks must be uploaded into our web-based policy issuance system to be properly bound prior to issuing an ID Card or Declaration Page. This will include all New Applications, Renewals, Endorsements and Direct Bill Payments. Agents must upload all accepted payments at the time received. Payments not properly receipted and posted could result in a lapse in coverage.

1. Coverage is bound at the date and time the application and all other required documents are signed by the insured and agent, and the appropriate payment is collected and posted to our policy issuance system.
2. All bound applications must be completed accurately and indicate the exact coverages with corresponding premium. If there is no premium charged for a coverage listed on the application or declaration page then that coverage is not included on the policy.
3. The signed application **MUST BE UPLOADED OR FAXED** to the company within one (1) working day and the original retained on file at the agency. Original applications will be requested as a part of our agent audit process or when required by underwriting and or claims. Agents must submit requested original applications within 72 hours of the request.
4. All required supporting documentation such as discount proofs, vehicle inspection forms and vehicle photos must be submitted within two (2) working days of the submission of the applicable policy or endorsement.
5. Premium payments receipted and posted by agents must be available for sweep from the agency premium account on file with Hillco, within three (3) business days.
6. All applications must include the make/model of vehicle, coverage and risk that adhere to our underwriting guidelines.
7. The policy issuance system allows agents to issue the Declaration Page and ID Card at the point of sale. These should be printed and attached to the Hillco General Agency Privacy Notice and Policy Jacket and provide those to the insured unless the insured has signed the Notice to The Applicant Regarding Policy Forms and Endorsements as a part of the application.
8. If an applicant declines to participate in the electronic signature process, then the agent must allow the applicant the option to complete the application process using a traditional pen and paper. Electronic signatures are not for remote use and applicants must be present with a valid photo ID to sign and bind coverage.

## ENDORSEMENTS

All endorsement requests must be processed into the HGA online policy management system.

1. A quote will be provided prior to the final processing of the endorsement request. For all endorsements which result in an increase in premium the agent is **REQUIRED TO COLLECT** the appropriate premium.
2. All endorsements that involve the removal of coverages, vehicles or drivers **MUST** be signed by the insured.
3. All endorsements that add UMBI, UMPD, PIP, Comp and/or Collision must have an inspection form completed and two (2) clear color photos of the vehicle that show all four sides of the vehicle.

## SR-22 FILINGS

There will be a processing fee for monthly, semi-annual and annual SR-22 filings. SR-22 forms must be completed and given to the insured by the agent. It is the responsibility of the insured to file their SR-22 and any required fees with the Texas Department of Public Safety. SR-22 filings will only be made on the named insured and immediate family members of the household when living with the named insured if coverage exists on the policy. SR-22 filings are for the State of Texas only. The SR-22 filing fee must be paid in full. Fees are fully earned and non-refundable. HGA will file the SR-26 on lapsed policies.

## CANCELLATIONS

Policies may be cancelled as follows:

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

- Surrender of the original policy to the company.
- Sending written notice to the company stating the cancellation effective date.
- Submitting a signed "Lost Policy Release" to the company.

The effective date of the cancellation will be 12:01 am the day following the date the request is faxed or mailed to the company as evidenced by a US postal service postmark.

The company (HGA) may cancel a policy with direct notice mailed to the insured.

- If the policy is cancelled for any reason, the return premium will be computed pro-rata.
- No flat cancellation will be allowed by the agent or insured unless we receive proof of duplicate coverage.
- The company for any reason may cancel policy within the first 60 days.
- Policy will be "Null and Void" in the event HGA or the agent in situations where insufficient funds(NSF)applies.

## REFUNDS

Premium refunds will be mailed to the last known address of the named insured within 14 days of the cancellation of the policy.

Premium refunds in an amount less than \$5 will only be processed upon the request of the insured.

## PAYMENTS AND FEES

1. The following Payment Plans are Available:

Policy Term	Down payment %	# of payments	1 <sup>st</sup> bill due	Subsequent bills
1, 2 & 3 Month	100%	N/A	N/A	N/A
Semi-Annual	17%	5	20	30
Semi-Annual	25%	4	30	30
Semi-Annual	100%	N/A	N/A	N/A

2. The following fees are applicable to premium installments, late payments, policy reinstatements and check or electronic ACH payments that are returned for Non-sufficient funds:

- |                           |        |
|---------------------------|--------|
| a. Billing Fee            | \$3.00 |
| b. Payment Processing Fee | \$3.00 |
| c. Late Payment Fee       | \$5.00 |
| d. Policy Lapse Fee       | \$5.00 |
| e. Endorsement Fee        | \$5.00 |

- |                            |         |
|----------------------------|---------|
| f. NSF Fee                 | \$30.00 |
| g. SR-22 Fee (1 Month)     | \$4.00  |
| h. SR-22 Fee (2 Month)     | \$8.00  |
| i. SR-22 Fee (3 Month)     | \$12.00 |
| j. SR-22 Fee (Semi-Annual) | \$24.00 |
3. All Policies include a Policy Fee. See rate pages for fee amounts.
  4. A Motor Vehicle Crime Prevention Authority Fee (MVCPA) is assessed for each vehicle insured on all new, renewal, rewritten and endorsed policies. Additional vehicles added during the term will also be assessed the MVCPA Fee. The fee is fully earned when applied.
  5. All checks and money orders should be made payable to Hillco General Agency.
  6. NSF Check or ACH Policy; If an insured's check or ACH payment is returned by the bank or financial institution for payment, the policy will immediately return to the prepayment status and an NSF Fee will be applied to the policy. For all new and renewal down payments the policy will be flat-cancelled and a new application MUST be submitted. **FLAT-CANCELLED POLICIES CAN NOT BE REINSTATED UNDER ANY CIRCUMSTANCES.**
  7. Recurring payments are available on all policies and can be setup via ACH. A discount may apply. If a policy is setup with recurring payments and an ACH is returned NSF the recurring payments will be immediately removed from the policy.

## POLICY TYPES

1. Full Limited Policy - The following endorsements are included:

### OACM.PhysDam.001

- The Company will pay the cost to restore your covered auto to its pre-loss condition. The amount we pay may be based upon the cost of the aftermarket or recycled use parts, at the Company's option. If you choose a more expensive part, you may be responsible for the difference in cost.
- There is no coverage under Part D - Coverage for Damage to Your Auto, for any equipment on or in your covered auto that was not installed at the factory unless coverage is shown for the equipment in the Declarations Page.
- If repair or replacement of your covered auto or part of your covered auto results in betterment of the vehicle or the part, you will be required to pay the difference in order to get your auto repaired or replaced.

### OACM.YCA.002b

- If you purchase a new auto during the policy term, the following applies:
  - The auto must be intended for use primarily on public roads and have no more or less than four wheels.
  - The auto's gross vehicle weight must be 25,000 pounds or less.
  - If the auto you purchase is in addition to an auto already shown in the Declarations Page, it will have the broadest coverage of any auto shown. You must notify us on or before the 20<sup>th</sup> day you become the owner of the vehicle for coverage to apply.
    - If there is no other auto shown in the Declarations Page with Part D - Coverage for Damage to Your Auto, but you desire this coverage, you must notify us within 20 (twenty) days after your acquisition of the auto for coverage to apply.
  - If the vehicle you purchase is a replacement for an auto already shown in the Declarations page and you wish to continue Part D - Coverage for Damage to Your Auto, it will have the same coverage, including the deductible, as the auto it replaces.

You must notify us on or before the 20<sup>th</sup> day you become the owner of the vehicle for coverage to apply.

- Any additional coverage that you need for your new auto that was not covered on the auto it replaced will only be added when you ask us to provide the coverage, even if it's after the 20 (twenty) day notification period.

NOTICE: THIS ENDORSEMENT REPLACES DEFINITION G OF BOTH THIS POLICY AND ENDORSEMENT OACM.TEMPVEH.022.

#### OACM.Storage.004

- In the event that your covered auto requires storage following an accident, you must authorize us to have it moved to a facility of our choice at our expense.

#### OACM.DelFee.005

- The policy no longer provides coverage for liability or physical damage if your covered auto or any auto operated by an insured is being used to carry, transport or deliver people, property or goods for a fee. This includes, among other things, delivering food, newspapers or flowers. If you engage in the activity of carrying, transporting or delivering items or people in exchange for compensation, you must disclose this on your application for insurance.

#### OACM.ContLiab.006

- There is no coverage under Part A - Liability Coverage where liability for the loss is imputed or assumed solely because you signed a contract that references your automobile liability policy. If you rent an auto, you should notify the rental company of this change to your policy, as there may be optional coverage that you can purchase from such company.

#### OACM.AutoTerm.007

- If someone other than you or a family member becomes the owner of the auto, then coverage for that auto will automatically terminate at the time possession, title or right of control is passed on to the new owner.

#### OACM.CrimeIntent.008

- There is no coverage under any portion of this policy for damages or injuries that result or may reasonably be expected to result from the intentional or criminal acts of you, a family member or anyone operating your auto with your consent. There is also no coverage under this policy for damages or injuries that result while you, a family member or anyone operating your auto with your consent is attempting to evade arrest of a law enforcement official.

#### OACM.MisrepFraud.009

- YOUR FAILURE TO MAKE TRUTHFUL DISCLOSURES ON YOUR APPLICATION FOR INSURANCE AND AT OTHER TIMES DURING THE COURSE OF YOUR POLICY PERIOD MAY RESULT IN THE VOIDING OF YOUR POLICY.
- We may void this policy and provide no coverage under any portion of this policy for any claim that would otherwise be covered in the absence of your fraudulent conduct, misrepresentations, misstatements or omissions of important information, including those made when applying for coverage. If you engaged in these activities and we still made a payment under your policy, we have the right to recover from you the amount of the payment we made.

#### OACM.OutOfState.016a

- If you are involved in an accident in a state or province that has compulsory insurance laws for non-residents, we will honor that province or state's requirements as to the liability coverage. However, we will not automatically provide first party coverage or increased limits for first party coverage in states that have no-fault or similar insurance laws.

#### OACM.Punitive.018

- Exemplary damages are defined as any damages awarded as a penalty or by way of punishment but not for compensatory damages. Exemplary damages are neither economic nor noneconomic damages. Exemplary damages include punitive damages. This policy will

not provide coverage for you in the event that you or an uninsured/underinsured motorist becomes liable for exemplary or punitive damages.

#### OACM.RentProp-NOAuto.019a

- There is no coverage under Part A (Liability) for damage to property for which you or any covered person may rent, use or have care, custody or control, except any temporary vehicle. If you are involved in an accident while using a borrowed or rented automobile, this policy will not cover your liability for the damage to the borrowed or rented automobile, except any temporary vehicle. This is a significant change to the previous standard coverage in Texas for coverage to property being used by, rented to and/or in the care of a covered person. If you rent an auto, you should notify the rental company of this change to your policy, as there may be optional coverage (sometimes referred to as waivers) that you can purchase from such company.
- NOTICE: THIS ENDORSEMENT REPLACES EXCLUSION A.3 OF BOTH THIS POLICY AND ENDORSEMENT OACM.TEMPVEH.022.

#### OACM.NoBusiness.020

- IF YOU ENGAGE IN ANY BUSINESS USE OF YOUR COVERED AUTO, THERE WILL BE NO COVERAGE, BOTH UNDER PART A - LIABILITY COVERAGE & PART D - COVERAGE FOR DAMAGE TO YOUR AUTO
- Business use includes but is not limited to transporting persons, equipment or tools of the trade to or from a job site or using a vehicle while engaged in any business or occupation, including but not limited to: construction, courier or delivery services, landscaping, painting, carpentry, masonry, food services, janitorial services, or any other trade-type service.

#### OACM.TempVeh.022

- This endorsement makes changes to the Texas Standard Auto Policy to ensure compliance with TIC 1952.060 in accordance with House Bill 3420 which was made effective September 1, 2019. This endorsement is permanently made a part of all policies issued by Hillco General Agency, LLC with an effective date on or after January 1, 2020.

#### 551 Mexico Coverage LIMITED

- Endorsement is applied to all policies.

#### 525 Foreign Made and Discontinued Makes of Auto - Limiting Coverage for Damage to Your Auto

- Endorsement is applied to all policies.

2. Standard Policy - The following endorsements are included:

#### OACM.TempVeh.022

- This endorsement makes changes to the Texas Standard Auto Policy to ensure compliance with TIC 1952.060 in accordance with House Bill 3420 which was made effective September 1, 2019. This endorsement is permanently made a part of all policies issued by Hillco General Agency, LLC with an effective date on or after January 1, 2020.

#### 551 Mexico Coverage LIMITED

- Endorsement is applied to all policies.

#### 525 Foreign Made and Discontinued Makes of Auto - Limiting Coverage for Damage to Your Auto

- Endorsement is applied to all policies.

3. Additional Endorsements - The following are Optional Endorsements that may be added to your policy.

#### 530A Loss Payable Clause

- Endorsement is included on the policy if Comp and Collision are included on the policy and a lienholder is listed on the declaration page.

#### 571A Financial Responsibility Certificate

- Endorsement applies if SR-22 is Included on the policy.

#### 523C Rental Reimbursement Coverage



6. Drivers over the age of 79 years old are required to submit a "Physician Health Statement", signed by a physician, indicating their ability to operate a motor vehicle.
7. Driver disclosure reports may be obtained on new and/or renewal policies. A premium adjustment may be made as a result of additional drivers discovered.
8. Non-Owners policies are not acceptable.
9. Any claim filed within the first sixty (60) days of policy inception will be grounds for cancellation.
10. There will be a surcharge added to vehicles that drive more than 25 miles one way to work.
11. The company recognizes common law marriage(s) for driver class assignment.
12. The named insured or their spouse must be the titled owners of all vehicles listed on the policy. Vehicles not owned by the named insured or spouse in the household must be written as a separate policy.
13. Vehicles with a salvage or re-built title will not be acceptable for physical damage coverage. If it is determined a vehicle written has a salvage or re-built title a 50% deduction may be taken from the vehicle value.
14. All accidents and violations will be chargeable if the occurred in the 36 months prior to the policy inception. See rating rules for point values.
15. Vehicles that are garaged primarily at an address other than the garaging address listed on the policy are not acceptable. Vehicles which are garaged outside the state of Texas more than 3 months of the year are not acceptable.
16. New business written for drivers who are United States Citizens with a driver's license from a state other than Texas have 30 days from the policy inception to obtain a Texas Drivers license or the policy may be surcharged and/or cancelled.
17. Drivers who do not hold a valid US driver's license are not acceptable unless they meet one of the following criteria (All drivers without a valid Texas Driver's license that are acceptable will be surcharged. See our section on surcharges for more information):
  - a. Are Active US Military
  - b. Are a citizen of a country other than the United States of America and can provide one of the following acceptable proofs:
    - i. Foreign or International Driver's License
    - ii. Passport from a country in North, Central or South America
    - iii. Matricula

## UNACCEPTABLE RISKS

### Unacceptable Operators

- Drivers whose license has been suspended or revoked, unless eligible for reinstatement with an SR-22.
- Drivers with more than 3 accidents in the prior 36 months or 2 accidents in the prior 12 months, regardless of fault.
- Any Insured not permanently residing in the state of Texas.
- Drivers that live or work in Mexico.
- Students attending school outside of Texas
- Any person of wide public notoriety such as professional athletes or celebrities.
- Employees or Agents of Hillco General Agency.
- Drivers who commute more than 50 miles to work one way.
- Drivers with more than 1 DUI in the prior 12 months or more than 2 DUI's in the prior 36 months.
- Drivers with more than 16 points over the age of 29.
- Drivers with more than 10 points under the age of 30.
- Drivers with a felony conviction in the last 2 years.
- Drivers with more than one felony conviction in the last 10 years.
- Drivers who work outside of the state of Texas.

- Any driver that uses an insured vehicle for delivery purposes or in the course of their employment.
- Persons engaged in illegal activities.
- Physically or Mentally impaired drivers, if the disability affects their ability to operate a motor vehicle.

#### Unacceptable Vehicles

- Antique, Classic, obsolete models, rare and gray market vehicles. Classic Autos: A classic auto is an auto over 10 years old and which because of limited production or exceptionally fine workmanship, is a rarity or of historic interest.
- Vehicles garaged outside Texas more than 25% of the year, including vehicles used by students attending school outside Texas.
- Vehicles used in speed contest or racing, altered or "Hot Rod" vehicles.
- Police or emergency vehicles.
- Vehicles used in pick-up and/or delivery, of any kind, regardless of the type of cargo, including persons, property or product. This includes but is not limited to the pick-up and/or delivery of people, mail, newspapers, pizza or food of any kind, or any other types of retail or wholesale delivery. This includes persons picking-up or delivering goods for use in any business venture, i.e. artisan contractors.
- Dune Buggies or similar off-road vehicles.
- Vehicles used in the business of a trucker.
- Vehicles used in business.
- Vehicles owned or leased by a corporation, partnership, charitable organization, or any other group or entity.
- Vehicles not titled to or not in the process of being titled to the named insured (or spouse)
- Any vehicle that has a TV screen or computer monitor visible to the driver. (This does not include navigation systems that come as standard equipment from the factory on certain cars.)
- Vehicles not leased or owned by (titled to) the named insured or vehicles rented to others.
- Parade or show cars; altered vehicles (we will allow alterations in case of physical handicap); kit cars; RV or RV equipped vehicles; wreckers; tow trucks; buses; step vans; flat beds; dump trucks; or vehicles with a load capacity  $\frac{3}{4}$  ton or greater.
- Replica autos
- Vehicles with fiberglass or stainless steel bodies.
- Vehicles used to carry explosive or flammable materials.
- Mobile homes, trailers, motor homes, or any vehicle used as a primary residence.
- Conversion vans or conversion trucks.
- Hybrid or electric vehicles
- See the below chart for additional specific models that are not acceptable:

Acura	Chrysler	Infiniti	Mosler	Rover
NSX	Prowler	Q Series	All Models	All Models
Alfa Romeo	Dodge	Jaguar	Nissan	Saab
All Models	Viper	All Models	Z Models	900 Turbo
Aston Martin	Stealth R/T	Lamborghini	GTR	Saleen
All Models	Stealth Turbo	All Models	Panoz	All Models
Audi	Any SRT	Land Rover	All Models	Shelby
S4, 5, 6 & 8 Series	Ferrari	All Models	Pantera	All Models
Bentley	All Models	Lexus	All Models	Sterling
All Models	Ford	L series	Pontiac	All Models

Bugatti	GT	Lotus	Firebird	Subaru
All Models	Cobra	All Models	Trans Am	STI Series
Cadillac	Roush	Maybach	Porsche	Suzuki
V Series	Boss 302	All Models	All Models	Samurai
Chevrolet	Hummer	Maserati	Qvale	Sidekick
Corvette	H1	All Models	All Models	Tesla
Camaro V8	H2	Mitsubishi	Renault	All Models
Monte Carlo SS	Hyundai	3000 Series	All Models	Toyota
Express G 3500	Equus	Morgan	Rolls Royce	Land Cruiser
Silverado 3500		All Models	All Models	Prius
				Yugo
				All Models

**Unacceptable Vehicles for Physical Damage**

- Vehicles for years 2010 and older with an ISO rating symbol of 21 or higher;
- Vehicles for years 2011 and newer with an ISO collision rating symbol of 42 or higher;
- Vehicles over 20 years old
- Vehicles with preexisting and unrepaired damage unless the damage is noted on the vehicle inspection and photos are provided.
- Convertibles
- The following specific make and models are unacceptable for Comp and Collision:

BMW	Mercedes-Benz	Mitsubishi
5, 6, 7 and 8 series	400, 500 and 600 series	G Eclipse Spyder
X5 and X6 series	E, G, S, SL and CL models	
M and Z series	R and AMG series	

**RATING RULES**

**Driver Classification**

The driver classification is based on the age and marital status of each married driver. See rate pages for classification and corresponding factors.

**Driver Assignment**

Drivers will be assigned based on the highest rated vehicles to the highest rated driver.

Calculation of the highest rated vehicle will be based on the following: Vehicles with physical damage will be higher than all vehicles with liability only. For vehicles with Physical damage multiply the Collision Symbol factor x the vehicle age factor x 1+ any vehicle surcharge factor. Sort the values from highest to lowest to determine the highest rated vehicle. For vehicles with Liability only multiply the vehicle age factor x 1+ any vehicle surcharge factor that may apply. Sort from highest to lowest to determine the highest rated vehicle.

Calculation of the highest rated driver will be based on the following: Multiply the Driver Class factor x the point surcharge factor x 1+ any applicable driver surcharge factor. Sort from highest to lowest to determine the highest rated driver to lowest rated driver.

**Driver Points**

Points are assigned by HGA to the driver for accidents and violations in the prior 36 months. See the driver violation section for appropriate point assignment.

## Driver Exclusions

Drivers that are excluded by name will not be rated. A signed 515A exclusion form must accompany the application.

## Vehicle Symbols

ISO symbols are used for the rating of all vehicles with Comp and Collision coverages

## Vehicle Age Groups

The vehicle age group equals one plus the Current Model Year minus the vehicle Model Year. Use the Vehicle Age Group Factors Table to look up the age relativity for the coverage. The model year shall change effective October 1 of each calendar year, regardless of the actual introductory dates of various makes and models. Models released before October 1 will be rated as Age Group 1. Any rebuilt or structurally modified vehicles will have their age determined by the age of the vehicle's chassis. See Rate Pages.

## DISCOUNTS

The Maximum total discount allowed is 30%

1. Multi-Car Discount applies to all policies that include two or more vehicles. The discount applies to Bodily Injury (BI), Property Damage (PD), and Comprehensive (Comp) and Collision with like coverage.
2. Proof of Prior Discount applies to (6-month term) policies that are at-fault claim free for the previous thirty-six (36) months with six (6) months proof of prior coverage and no more than a thirty (30) day lapse in coverage. Required proof to fax with application is a renewal offer; company generated ID card, or DEC page. The discount applies to BI, PD, Comp and Collision coverage. The discount will be removed with any at-fault claim. At-fault claims that are neither paid nor payable will not disqualify a policyholder from earning or maintaining any of the above discounts.
3. Renewal Discount is awarded at two levels. Level 1 is on all policy terms at the Six month renewal. Level 2 is at the Annual renewal. The Renewal Discount will replace the Proof of Prior Discount if applied to the policy. Policy must be claim free for 12 months to receive the renewal discount. At-fault claims that are neither paid nor payable will not disqualify a policyholder from earning or maintaining any of the above discounts.
4. Paid in Full Discount applies to (3 and 6-month) policies paid in full at the time the policy is sold. The discount applies to BI, PD, Comp and Collision coverage.
5. Homeowners Discount applies to (6-month term) policies where the named insured owns a home. (Permanent dwelling, other than mobile-home or trailer). Proof of home ownership is required and must be submitted with the application. The discount applies to BI, PD, Comp and Collision coverage.

## SURCHARGES

1. Liability Surcharge with Physical Damage
  - a. Applies by vehicle;
  - b. Applies to all vehicles that include Comp & Collision coverages
  - c. Applies only to Bi & PD coverages
2. Foreign and International Driver Surcharge
  - a. Applies to drivers that are citizens of a country other than the US and able to provide acceptable proof in the form of the following:

- i. Foreign or International Driver's License; or
    - ii. Passport from a country in North, Central or South America; or
    - iii. Matricula
  - b. Applies to BI, PD, Comp and Collision
- 3. Expired License Surcharge
  - a. Applies to all drivers with an expired Texas License
  - b. Applies to BI, PD, Comp and Collision
  - c. Surcharge may be removed by providing proof that they now have a valid Texas Driver's License.
- 4. Out of State License Surcharge
  - a. Applies to all drivers with a valid US license from a state Other than Texas;
  - b. Applies to BI, PD, Comp and Collision
  - c. Surcharge may be removed by providing proof that they now have a valid Texas Driver's License.
- 5. Texas ID Only
  - a. Applies to all Drivers that hold a Texas ID Only
  - b. Applies to BI, PD, Comp and Collision
- 6. Texas Drivers Permit Only
  - a. Applies to all drivers with a Texas Drivers Permit Only
  - b. Applies to BI, PD, Comp and Collision
  - c. Surcharge may be removed by providing proof that they now have a valid Texas Driver's License
- 7. No Identification
  - a. Applies to all operators who are not able to provide any proof of Identification which displays the date of birth of the driver.
  - b. Applies to BI, PD, Comp and Collision
  - c. Surcharge may be removed upon the receipt of acceptable proof of identity including but not limited to a driver's license, acceptable foreign/international documentation or Texas ID.
- 8. Unacceptable Operator Surcharge
  - a. Applies to drivers that include do not meet our acceptable operator profile;
  - b. Applies to the vehicle which the unacceptable operator is the assigned rated driver;
  - c. Applies to BI, PD, Comp and Collision.
- 9. Unacceptable Vehicle Surcharge
  - a. Applies to any vehicle included in our list of unacceptable vehicles;
  - b. Applies to any vehicle listed in our unacceptable for physical damage profile if those vehicles include Comp and Collision.
  - c. Applies to vehicles with a current actual cash value greater than \$40,000;
  - d. Applies to BI, PD, Comp and Collision.

## DRIVER VIOLATIONS AND ACCIDENTS

Determine the rating group by the total points for the past thirty-six (36) months for accidents and all traffic infractions. If multiple infractions arise out of one occurrence, charge only for the one item with the most points. If one car, use only the classification and record of the driver which develops the highest premium. Felony traffic violations not listed below will be subject to Criminal Background Underwriting.

**\*NOTES:**

(1) If a violation is due to come off the MVR within thirty (30) days of the effective date, said violation will be waived.

(2) At-fault claims that are neither paid nor payable will be assessed 0 points.

**Major Point Values for Accidents and Serious Traffic Infractions**

Point surcharge for all applicants and renewals will be determined by Motor Vehicle Record except when violations have occurred within the previous sixty (60) days, and from the Company's own records as follows:

Unable to obtain a Motor Vehicle Record for past 36 months for any reason, other than inexperience of operator.	2 Points
Displaying an altered or false license or the license of another	2 Points
Driving on shoulder.	2 Points
Speeding in a school zone.	2 Points
Passing a stopped school bus.	2 Points
Disregard a no passing zone.	2 Points
At-fault accidents	3 Points
Careless or reckless driving, negligent driving, criminal negligence or racing or speed contest	3 Points
Making false accident reports.	3 Points
Willfully failing or refusing to comply with any lawful order or direction of any police officer or member of the fire department.	3 Points
Obstructing an officer.	3 Points
Driving with no license or while license is suspended or revoked.	3 Points
Driving without owner's consent.	3 Points
DUI or any related drug or alcohol offense	5 points
Negligent collision.	5 Points

**Minor Non-Criminal Traffic Infractions:**

The following violations are charged one (1) point each.

- Failure to obey traffic instructions, sign/device (stop sign, wrong way on a one-way street, red light, rotary intersection, safety zone, avoiding a traffic light or inoperative traffic light).
- Improper lane change.
- Failure to yield right of way.
- Improper turn or turned when unsafe.
- Failure to yield entering through highway.
- Failure to signal for direction on slowing.
- Transporting hazardous substances.
- Parking on roadway or highway.
- Improper start.
- Improper backing.
- Following too closely.
- Failure to have vehicle under control.
- Obstructing traffic.
- Improper passing.
- Driving without lights.
- Special hazard-failure to use due care.
- Driving on the wrong side of road.
- Failure to keep in proper lane.
- Improper enter/exit traffic-way.
- Failure to stop at an inoperative traffic signal.
- Disobeying emergency vehicle regulations.
- Failure to observe traffic zone.

- Giving wrong signal.
- Violation of restriction.
- Improper child restraint.
- Allow unlicensed driver to drive or unlawful operation of vehicle.
- Driving with expired license.
- Improper or prohibited U-Turn.
- Turned when unsafe.
- Driving too fast for conditions.
- Excessive acceleration, squealing or screeching tires.
- Failure to control speed.
- Speeding

Exception for Convictions Only:

The following shall not be regarded as a moving traffic violations:

- Any equipment requirement of the motor vehicle and traffic laws, except brakes.
- Failure to display proper license plates provided such plates are in existence.
- Failure to have in one's possession an operator or chauffeur license provided there is one in existence.
- Car-pool lane violations.
- Open container - Passenger.

COMPLIANCE WITH STATUTES

Producer Compliance With TAC §5.401

Rule number §5.401 - Temporary and Permanent Requirements Regarding Underwriting Treatment of and Disclosure to Applicants for Private Passenger Automobile Liability Insurance.

Producer Responsibility:

Inform applicants who meets the qualifications of TAC §5.401 (d) of the approximate cost of coverage available through the assigned risk plan. This is your (the producer's) responsibility

TAC §5.401 (d) states:

Insurers or agents who make a quote to an applicant with no prior insurance having no more than one accident and one violation within the past three years which quote equals or exceeds the premium available through the assigned risk plan must inform the applicant of the approximate cost of coverage available through the assigned risk plan.