

Mendota Insurance Company
MAP VP Program

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CUSTOMER SERVICE

All endorsements are to be processed via the **Internet** with a few exceptions which are listed below.

We will bill the insured directly for any additional premium. The insured has 15 days to pay the premium.

This billing will charge enough premium to cover up to the next installment billing. If the premium is not paid, the policy will be subject to cancellation. Return premiums will be reflected in the next installment or will be returned if no installments are remaining.

Please notify us of policy endorsements within 3 days of your notification from the named insured of any midterm increase or decrease in exposure (addition of drivers, vehicles, etc.) to the policy.

The following requests must be submitted to the company via fax and are effective upon receipt:

- Reduction or elimination of coverage that requires a signed form.
- Deletion or exclusion of drivers
- Cancellation of policy – Named insured's signature with written request to cancel is required.

CLAIMS SERVICE

In the event of an accident, Mendota insureds experience fast, expert service from one of our experienced claims examiners.

[CLICK HERE](#)

TO SEE CUSTOMER SERVICE, CLAIM AND SALES MANAGER CONTACT INFORMATION AS WELL AS HOURS OF OPERATION.

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APPLICATION SUBMISSION

UPLOAD PROCEDURES AND BINDING AUTHORITY

- Qualifying risks may be bound at the time and date on which the application is completed in full, signed and the required deposit premium is paid by the insured.
- Agent binding authority is 3 business days from the policy effective date. The application and required payment must be uploaded within 72 hours of the policy effective date.
- The insured's Social Security number is optional on upload. However, providing an accurate Social Security number may allow for a more competitive price. We require that you have the insured sign the application and any supplemental forms and retain in your files.
- Effective dates prior to the date the application is signed and bound by the producer are not acceptable.
- Paper applications are unacceptable. All policies must be uploaded via **MENDOTA^{MAX}**.
- When a policy is successfully uploaded, the agent receives immediate confirmation, including a policy number.
- Signed documentation must be kept on file in the agent's office. Documentation must be made available in the event of a claim or company audit.
- Two (2) clear, color photos or Vehicle Inspection report if physical damage coverage is requested. If purchased order dated within 30 days of effective date of application, and shows less than 100 miles on odometer, no photos or inspection report will be required.
- Agents do not have the authority to bind the company on physical damage coverage mid-term on an existing policy unless an inspection is completed and appropriate documentation is kept in the agent's files. Any existing damage must be indicated on the change application.
- The agent's or insured's bank account will be swept no earlier than 3 days later for the amount indicated on the application. Sweep days are based on date uploaded (by 5:45 pm CST):
 - Monday (includes Wednesday – Friday) 3 work days
 - Thursday (includes Saturday – Tuesday) 2 work days + Saturday and Sunday
- Brokered business is not acceptable.
- Any risk with an operator who is nationally or locally known to a large segment of the population (politician, celebrity, professional athlete, or entertainer) cannot be bound and must be submitted to our Business Center for approval.
- Risk cannot be bound if it appears as *unacceptable, ineligible, or submit for approval* in this manual.

NON-RESIDENT AGENTS

Non-resident agent licensing is only available with prior approval by company representatives.

SEVERE WEATHER BINDING AUTHORITY

No new coverage or increase to existing coverage may be bound on any risk or exposure located in an area for which a hurricane, tornado, natural disaster, or other severe weather watch or warning has been posted. Normal binding authority will resume after the watch and/or warnings are lifted. Every auto written with physical damage coverage within 72 hours after the warnings are lifted must be inspected to determine if there is existing damage. The inspection and any damage must be indicated on the application.

DOCUMENTATION RETENTION AND AUDIT REQUIREMENTS

Proper documentation must be maintained in your files or faxed to the company using the FAX Cover Sheet. For Proof of Prior documentation use fax #: (866) 385-0553. The company software will predetermine which documents must be faxed immediately. Other documents should be maintained in your files. Use the guide below for documentation retention.

Maintain in Agency Files and have available for audit:

- | | |
|--|---------------------------------------|
| ▶ Signed and dated application | ▶ Proof of Home/Condo ownership |
| ▶ Photos and/or Vehicle Inspections | ▶ Proof of Prior Automobile Insurance |
| ▶ Signed Supplemental Automobile Application - Arizona | ▶ Signed EFT form |
| ▶ Signed Named Driver Excluded form | |

Acceptable Proof:

- ▶ HO Dec Page, Real Estate Tax info, Mortgage statement or a copy of the Property Title
- ▶ Renewal Notice, Non-renewal Notice, Dec page, Letter of Experience on Company Letterhead

Periodic audits will be done on random files by the company. These audits will either be done on-site by company representatives or requested to be sent to the company for documents listed above. Documentation must be sent within 1 business day for requested materials.

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MATERIAL MISREPRESENTATION OF RISK

Misrepresentation is insurance fraud! We expect applicants to truthfully and fully complete an application for insurance. If misrepresentation is discovered, we will cancel the policy and collect the additional premium due from inception. A misrepresentation may also prevent recovery under the contract or policy if:

- The misrepresentation, omission, concealment, or incorrect statement is fraudulent or is material either to our accepting the risk or the hazard we assume; or
- If we had known the true facts we would not have issued the policy, would have charged a higher premium, or would not have issued the policy with the same coverages or coverage limits.

POLICY PERIOD

Six (6) or Twelve (12) month policy terms are available.

SECOND NAMED INSURED

Two named insureds may be listed on a policy. The second named insured does not have to be the named insured's spouse.

ZIP CODE RATING

Rates are determined by zip code. Use the zip code in which the vehicle is principally garaged. P.O. boxes are not acceptable as garaging locations.

VEHICLE SYMBOLS

For rating purposes, every vehicle is assigned the company's own Make/Model/Style symbols. The company symbol applies to Bodily Injury, Property Damage, Medical Payments, Uninsured Motorist, Underinsured Motorist, Comprehensive, and Collision coverages.

For Named Operator Policies (Named Non-Owner), symbol "666666" is assigned.

PAYMENT PLANS

Mendota utilizes a direct bill program. Please submit all payments gross. Do not retain commission.

Installment notices are sent directly to the insured. Please encourage your customers to use EFT for payments, to pay online at www.MyMendota.com or to mail payments to the address provided on the bill. Payments must be received by the due date indicated on the bill. Any payments submitted to you by the insured directly must be uploaded via EFT to Mendota using the Web site at www.mendota-insurance.com.

The following **NEW BUSINESS** payment options are available:

Payment Plan	Policy Term	Down payment Percentage	# of Installments	Installment %
Paid-in-Full	6 & 12 month	100%	N/A	N/A
2 Pay	6 & 12 month	50%	1	50%
6 Pay	6 month	25%	5	15%
6 Pay	6 month	22%	5	15.60%
6 Pay	6 month	20%	5	16%
6 Pay	6 month	16.7%	5	16.7%

Renewals will be offered the choice of their current pay plan, Paid-in-Full pay plan, or 6 (or 12) Pay Plan.

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EFFECT OF POLICY CHANGES ON INSTALLMENTS

Premium adjustments that result from a policy endorsement will bill the insured enough premium to maintain coverage up to the next installment. The remainder of the additional premium will be equally distributed over the remaining installments.

PAYMENT OPTIONS

ELECTRONIC FUNDS TRANSFER (EFT)

Down payments and installments should be made to the company via EFT to the agent or insured's bank account via **MENDOTA^{MAX}**. The insured will be notified as to when the account will be swept for the payment and the amount. The policy can be paid in full or by installments.

CREDIT CARD PAYMENTS

The use of credit cards for payment of policy down payment or installments is available. We accept Visa, MasterCard, and Discover.

FEES

INSTALLMENT SERVICE FEE

Payment Plans can be established either via traditional direct bill payments or automatic premium payment methods.

TRADITIONAL MONTHLY BILLING (Direct Bill)

A \$13.00 service charge applies to each installment on direct bill. The fee does not apply if the policy is paid in full or on the initial down payment.

AUTOMATIC RE-OCCURRING PAYMENTS VIA ELECTRONIC BANK TRANSFERS

A \$8.00 service charge applies to each automatic premium withdrawal from a checking and/or savings account. The fee will not apply on the initial down payment.

AUTOMATIC RE-OCCURRING PAYMENTS VIA CREDIT/DEBIT CARD

A \$8.00 service charge applies to each automatic premium payment by credit and/or debit card. The fee will not apply on the initial down payment.

This does not apply to Agent EFT payments.

A one-time exception to the payment method selected at policy inception does not alter the installment fee amount for that payment or future payments.

NON-SUFFICIENT FUNDS (NSF) FEE

Policies with payments returned to the company for non-sufficient funds will be charged a \$25.00 NSF fee.

REINSTATEMENT FEE

Policies reinstated or rewritten after cancellation for non-payment will result in a \$10.00 charge.

POLICY FEE

A \$30 policy fee will be added to every new and renewal policy issued. This fee is not subject to discount, and commission is not paid.

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COMMISSIONS

Commission levels vary on new business and renewals policies. Please refer to your most recent commission schedule for your current commission level.

UNACCEPTABLE RISKS- NEW BUSINESS

INELIGIBLE POLICIES:

1. Policy may not be financed through a premium finance company.
2. Vehicles from more than one household may not be listed on a single policy.
3. Policy may not have an Estate, Receivership, Corporation or Partnership as named insured.
4. Policy may not cover any personnel employed in illegal enterprises and/or occupations.
5. Policies with a combination of 4 or more Towing and/or Comprehensive Losses within the 35 month experience period.
6. Physical Damage only policies. Physical Damage only coverage is allowed on an individual vehicle after the initial New Business policy has been written, and only if it is a multi-vehicle policy and at least one other vehicle affords full coverage (liability and physical damage).
7. Stated value physical damage.
8. Policies with more than 5 vehicles.
9. Policies with more than two At-Fault Accidents.
10. Policies with more than two Major violations.
11. Policies with more than two vehicles per listed driver.

INELIGIBLE OPERATORS:

1. Named insureds who have never been licensed (spouse never licensed acceptable with a signed exclusion).
2. Any operator with a revoked driver's license.
3. Any operator who has been convicted of insurance fraud.
4. Driver with more than 1 DUI within the 35 month experience period.
5. Driver under 21 years old with a DUI violation within the 35 month experience period.
6. Driver with more than 5 minor violations within the 35 month experience.
7. Driver who has been involved in more than 3 accidents regardless of fault within the 35 month experience period.

INELIGIBLE VEHICLES:

1. Vehicles with an appreciated value due to limited production and/or exotic specialty vehicles.
2. Vehicles used for racing or modified or customized for the purpose of participating in any type of competition: show, speed, sound, timed event etc.
3. Vehicles with modified suspensions which jump, rock or bounce and/or suspensions modified with lift kits or greater than four inches.
4. Vehicles manufactured for sale outside of the United States (gray market).
5. Vehicle used for pickup or delivery of goods, limousine or taxi service, any vehicle for hire, emergency service or any commercial use.
6. Vehicles equipped with cooking equipment or bathrooms.
7. Vehicles equipped for snow plowing.
8. Vehicles which are regularly made available to nonlisted drivers.
9. Vehicles not titled in Arizona or garaged outside of Arizona for more than two months per year.
10. Vehicles classified as kit cars, aluminum, or stainless steel cars, hot rods, or vehicles substantially modified or structurally altered to change appearance or performance.
11. Vehicles leased or rented to other operators by the applicant.
12. Flat bed, stake or modified trucks, stepvans, panel vans, cutaway vans, motorhomes, or converted buses.
13. Vehicles with a load capacity greater than 1 ton or gross vehicle weight greater than 12,000 pounds.
14. Salvage vehicles or reconstructed vehicles (these may be written for liability only coverage).

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15. Vehicles not found in the company defined symbol pages, except for newly released vehicles from major manufacturers.

ADDITIONAL RESTRICTIONS FOR VEHICLES WITH PHYSICAL DAMAGE COVERAGE

1. Vehicles 20 years and older are unacceptable for physical damage coverage for new business policies.
2. Salvaged or reconstructed vehicles are unacceptable for physical damage coverage.
3. Vehicles with existing or prior unrepaired property damage are not acceptable for Physical Damage coverage (Comp/Coll), unless (2) clear color photos and Vehicle Inspection is provided.

POLICY ELIGIBILITY

There must be a verifiable garaging location for each vehicle. A P.O. Box garaging address is not acceptable.

DRIVER ELIGIBILITY

1. All licensed operators in the household, all other regular operators of the vehicle and all residents of the household age 14 and older must be listed on the application. (Regular operators are those who have regular or frequent care, custody or control of the vehicle for more than 24 hours during the policy term.)
2. All drivers must be Arizona residents and no driver may live or work in Mexico.
3. International licenses are not allowed. Foreign licenses are acceptable (surcharge applies).
4. If Name Insured is a minor (under age 18) unless legally emancipated. The parent or guardian must be on the application and listed as Name Insured if driver is a minor.

VEHICLE ELIGIBILITY

Vehicles must be private passenger automobiles owned, legally possessed subject to a written conditional sales agreement or leased by an individual, husband and wife resident of the same household or by two independent resident operators.

BUSINESS USE / ARTISAN USE GUIDELINES

1. Pickups rated one ton or less and vans and utility type vehicles used only as private passenger vehicles are eligible provided such vehicles are not used in the occupation, profession, or business of the insured other than farming/ranching.
If the business use consists solely of carrying tools and supplies between the named insured's residence and a job site, **an Artisan risk is acceptable if:**
 - a. the vehicle is individually owned and
 - b. the vehicle is operated solely by the named insured and covered family members and
 - c. the named insured has no more than one vehicle in this category and
 - d. the vehicle visits no more than three job sites per day and
 - e. the vehicle has no visible signs or business logos and
 - f. the vehicle is not used to transport heavy equipment and
 - g. the vehicle is not used to transport explosives, chemicals or flammable materials and
 - h. there are no ladders on the outside of the vehicle.
2. The following are also **acceptable business use:**
 - a. vehicles used by sales or service representatives, or for consumer oriented direct home sales on a full-time basis (e.g., Avon, Mary Kay, Tupperware);
 - b. vehicles used for mail delivery;
 - c. vehicles used by real estate or insurance agents, lawyers, doctors, accountants or other professionals visiting multiple locations;
 - d. vehicles owned by the insured and used by domestic employees (e.g., maids, chauffeurs);
 - e. vehicles used in a business for occasional errands.

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UNDERWRITING SEGMENT ELIGIBILITY

Policies will be automatically assigned to an underwriting segment based on the following:

1. PRIOR INSURANCE

Prior insurance means that the named insured has proof of prior private passenger automobile liability insurance that covered the named insured or rated spouse for a continuous six month period with no more than a thirty day lapse in coverage. Prior liability limits and length of lapse are also considered.

Note: Proof of private passenger automobile liability insurance from Mendota or Mendakota is unacceptable, unless one of the following conditions is met:

- The named insured is moving to a new state.
- The insured is listed on another Mendota or Mendakota policy for at least a continuous six month period and the other policy is remaining in force. (e.g. Child coming from parent's policy or parent coming from a child's policy.)
- The previous policy was from the Mendota or Mendakota non-tiered program.

2. NON-CHARGEABLE INCIDENTS

Includes comprehensive losses greater than \$1,000 and not-at-fault accidents.

3. AGE OF NAMED INSURED

RENEWAL UNDERWRITING

The Underwriting Segment is reevaluated at each renewal based on the current new business guidelines.

The prior insurance information determined at the policy inception will remain for the life of the policy provided coverage does not lapse. In the event of a lapse at renewal, we will recalculate the prior insurance status if the policy was previously issued with zero days lapse in coverage.

Prior Limits are not reevaluated at renewal.

DRIVER/VEHICLE ASSIGNMENT

We do not require you to assign drivers to specific vehicles. We determine an average rating factor for rated drivers and then apply that factor to all vehicles on the policy. If there are more drivers than vehicles on the policy, the highest rated drivers (up to the number of vehicles on the policy) are used.

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COVERAGE OPTIONS

POLICY MINIMUMS

1. All private passenger automobile policies are required to have Bodily Injury Liability, Property Damage Liability, Uninsured Motorists (unless rejected in writing), and Underinsured Motorist (unless rejected in writing) Coverages at the state required minimum limits.
2. Coverage limits that must be equal for all vehicles on a multi car risk - Bodily Injury Liability, Property Damage Liability, Uninsured Motorist, Underinsured Motorist, Medical Payments, Towing and Labor Costs, and Extended Transportation Expense.

BODILY INJURY LIABILITY (BI)

See Limits Options Chart for available limits.

PROPERTY DAMAGE LIABILITY (PD)

Property Damage limits cannot exceed BI limits. See Limits Options Chart for available limits.

UNINSURED MOTORISTS AND UNDERINSURED BODILY INJURY COVERAGE (UM AND UIM)

1. Arizona law requires the purchase of UM and UIM coverages (unless rejected in writing).
2. Uninsured Motorist and Underinsured Motorists Coverages can only be written on policies providing Bodily Injury/ Property Damage coverages.
3. Uninsured Motorist and Underinsured Motorists Coverages are available up to the BI liability limits. Uninsured and Underinsured Motorists coverage must be equal.
4. If Uninsured Motorist and Underinsured Motorists Coverages selected limits are lower than Bodily Injury Liability Limit or if either coverage is rejected, the named insured must sign the appropriate Supplemental Automobile Application – Arizona.

MEDICAL PAYMENTS COVERAGE (MED)

Medical Payments coverage is an optional coverage that may be elected by an insured.

COMPREHENSIVE (COMP)

1. Comprehensive coverage must be written with a deductible.
2. Full Glass coverage is available for Safety Equipment, but cannot be added to an existing vehicle mid-term without prior inspection. Safety equipment means glass used in the windshield, doors and windows and the glass, plastic or other material used in the lights of a motor vehicle.

COLLISION (COLL)

1. Collision coverage must be written with a deductible.
2. Collision coverage cannot be written without Comprehensive coverage.

RENTAL REIMBURSEMENT (RENT)

Rental Reimbursement coverage cannot be written without Comprehensive and Collision coverages.

TOWING AND LABOR COSTS (TOW)

Towing and Labor Costs coverage cannot be written without Comprehensive and Collision coverages.

CUSTOM EQUIPMENT (CSEQ)

1. Custom parts and equipment coverage cannot be written without both Comprehensive and Collision coverage.

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2. Coverage Specifications – Custom Equipment Coverage provides physical damage coverage for custom equipment, devices or accessories other than electronic equipment. This includes any equipment, other than that which is standard equipment factory installed by the vehicle's original manufacturer, such as custom paint, decal, strip work, or installed equipment which mechanically or structurally changes the auto and results in an increase in performance or change in appearance. Standard equipment factory installed by the vehicle's original manufacturer is covered under Comprehensive or Collision coverage.
3. All items covered under Customized Equipment coverage must be described in the Custom Equipment Coverage Schedule. No coverage will be afforded to items not listed on the application.
4. All items to be covered under Customized Equipment coverage must be permanently installed on the vehicle. Equipment designed to be removed is not eligible for Customized Equipment coverage.
5. Available amounts up to \$5,000.

ELECTRONIC EQUIPMENT COVERAGE (ELEQ)

1. Electronic Equipment Coverage cannot be written without Comprehensive and Collision coverage.
2. Coverage Specifications – Electronic Equipment Coverage provides physical damage coverage for audio, visual or data receiving, transmitting or reproducing devices or accessories. This includes any equipment, other than that which is standard equipment factory installed by the vehicle's original manufacturer, including but not limited to radios, stereos, tape decks, compact disk systems, MP3 devices, navigation systems, DVD devices, VCR's, telephones, etc. Standard equipment factory installed by the vehicle's original manufacturer is covered under Comprehensive or Collision coverage.
3. All items covered under Electronic Equipment coverage must be described in the Electronic Equipment Schedule. No coverage will be afforded to items not listed on the application.
4. All items covered under Electronic Equipment coverage must be permanently installed on the vehicle. Equipment designed to be removed is not eligible for Electronic Equipment coverage.
5. Available amounts up to \$5,000.

VALUE PLUS LIABILITY COVERAGE (VPL)

1. Value Plus liability coverage can only be written on policies providing Bodily Injury and Property Damage liability coverage.
2. If selected, Value Plus liability coverage automatically applies to Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists coverage unless the coverage is rejected or not selected
3. Coverage Specifications - Value Plus Liability Coverage provides for:
 - i. increasing the amount of notification allowed time up to 14 days for both additional acquired autos and replacement autos;
 - ii. raising the age of a dependent child as a family member from under 23 to under 26;
 - iii. eliminating the step-down limits feature to state minimum FR limits for other than family members;
 - iv. extending limits of liability for legal liability of the lessor only to 100/300/50;
 - v. eliminating the step-down limits feature to state minimum FR limits for any insured involved in DWI or DUI accident.

VALUE PLUS PHYSICAL DAMAGE COVERAGE (VPPD)

1. Value Plus physical damage coverage can only be written on policies with vehicles purchasing either Comprehensive and/or Collision coverage.
2. Coverage Specifications - Value Plus Physical Damage Coverage provides for:

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- i. increasing the amount of notification time allowed to 14 days for both additional acquired autos and replacement autos;
- ii. automatic excess coverage for a non-owned rental vehicles rented for less than 30 days by you or a family member;
- iii. inclusion of up to \$1,000 of coverage for both Custom Equipment and Electronic Equipment;
- iv. use of new OEM parts on vehicles up to 5 years old;
- v. eliminating the deductible on loss to a windshield;
- vi. increasing the maximum storage limit to \$750 for any one loss;
- vii. inclusion of Limited Mexico Coverage.
- viii. Eliminating the deductible for a total theft loss and On-Star or other Vehicle Recovery System aided in the recovery.

NON-Owner Coverage (Named Operator Policy)

Named operator policies provide liability protection (BI/PD, MED, UM/UIM) for an individual who does not own a vehicle or have access to any personal use vehicles on a regular basis.

1. Coverage is provided for the named insured only. There is no coverage for spouses or permissive users.
2. Named operator policies are not available if the insured operates a vehicle used for business or artisan use.

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LIMITS AND DEDUCTIBLES

LIABILITY COVERAGES

Bodily Injury (BI) (\$000)	Property Damage (PD) (\$000)	Medical Payments (Med)	Uninsured Motorists (UM) (\$000)	Underinsured Motorists (UIM) (\$000)
15/30	10	\$500	15/30	15/30
25/50	15	\$1000	25/50	25/50
50/100	25	\$2000	50/100	50/100
	50	\$5000		

PHYSICAL DAMAGE COVERAGES

Comprehensive (Deductible)	Collision (Deductible)	Custom Equipment (Limit)	Electronic Equipment (Limit)
100	100	\$250	\$250
250	250	\$500	\$500
500	500	\$750	\$750
1000	1000	\$1,000	\$1,000
100 with Full Glass		\$1,250	\$1,250
250 with Full Glass		\$1,500	\$1,500
500 with Full Glass		\$1,750	\$1,750
1000 with Full Glass		\$2,000	\$2,000
		\$2,250	\$2,250
		\$2,500	\$2,500
		\$2,750	\$2,750
		\$3,000	\$3,000
		\$3,250	\$3,250
		\$3,500	\$3,500
		\$3,750	\$3,750
		\$4,000	\$4,000
		\$4,250	\$4,250
		\$4,500	\$4,500
		\$4,750	\$4,750
		\$5,000	\$5,000

Rental Reimbursement	Towing and Labor
\$20 Per Day; \$600 Maximum limit	\$50 Per Disablement
\$30 Per Day; \$900 Maximum limit	\$75 Per Disablement

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POLICY DISCOUNTS

The following discounts vary by coverage, underwriting segment, and by combination of other policy discounts:

Ownership of Residence Property Discount

Insured must own a home, condo or mobile home, it must be their primary residence, and all insured vehicles must be garaged at the residence.

Paid-in-Full

Credit will apply on new business when the company receives the full quoted premium amount with the completed application. This credit will apply at renewal provided payment of the full renewal premium is received prior to the renewal effective date.

VEHICLE SURCHARGES

Use of Vehicle Surcharge

Any vehicle classified as business/artisan use.

High Performance Vehicle

Applies to vehicle types of Porsche and Jaguar.

Ineligible Vehicle

If a vehicle is added to a policy midterm that is an ineligible make or model based on the New Business Eligibility, this surcharge will be applied.

DRIVER SURCHARGES

Inexperienced Operator

Any operator less than 21 years old who has not been licensed for the previous 35 month experience period.

Ineligible Operator

If an operator is added to a policy midterm that does not meet the New Business Driver eligibility, this surcharge will be applied at the time of the change.

Unverifiable MVR

A surcharge is applied if an operator does not have a verifiable MVR record for the previous 35 month experience period.

NOTE: Does not apply if the policy is being charged an inexperience operator surcharge or a foreign license surcharge or if the operator is less than 21 years old.

Foreign License

If an operator does not have a US driver's license but does have a valid foreign license. This surcharge will be applied until they obtain a valid US driver's license.

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DRIVER RECORD

Experience Period and Chargeability

1. Experience Period

The experience period for use in determining Driving Record is 35 months preceding the effective date of the new or renewal policy.

2. To determine if the accident or violation took place in the chargeable period, use the occurrence date rather than the conviction date.
3. If multiple violations and/or accidents occur on the same day all violations and/or accidents are counted.
4. Out-of-State violations and accidents are chargeable.
5. Forfeitures of bail or nolo contendere pleas shall be treated as convictions.

At-Fault Index

1. The At-Fault Index considers the number of at-fault accidents and the recency of at-fault accidents that occurred during the experience period involving each individual driver while operating a private passenger automobile, commercial vehicle, motorcycle or recreational vehicle.
2. Accidents caused by the driver swerving to avoid an object and colliding with another object are considered at-fault.
3. Accidents noted on the MVR or application will be assumed to be at-fault unless proof (police report, letter from prior carrier or proof of payment by other company) is received to verify insured was not at-fault.
4. No more than 2 at-fault accidents per driver will be permitted. (Applied only at New Business)

5. Number of Major Violations

1. The Number of Major Violations considers those that occurred during the experience period involving each individual driver while operating a private passenger automobile, commercial vehicle, motorcycle or recreational vehicle. Please refer to the table below for major violation classifications.
2. No more than 2 major violations per driver will be permitted. (Applied only at New Business)

Number of Minor Violations

1. The Number of Minor Violations considers those that occurred during the experience period involving each individual driver while operating a private passenger automobile, commercial vehicle, motorcycle or recreational vehicle. Please refer to the table below for minor violation classifications.
2. No more than 5 minor violations per driver will be permitted.

Violation Classifications:

Incident
Major Violations
Driving while driver's license is suspended, cancelled or revoked
Driving while under the influence of alcohol/drugs. (This includes open bottle violations.)
Felony or Gross Misdemeanor
Fleeing or eluding police
Hit and Run / Fleeing the scene of an accident
Homicide, manslaughter, or assault with a motor vehicle
Operating without Owners Consent

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Racing / Drag Racing
Reckless driving
Careless Driving
Minor Violations
School Bus Violations
Commercial Violations
Speeding (in excess of 10 mph over limit)
Minor Violations (this includes misc. moving traffic violation i.e. following to close, driving wrong side of road, failure to yield, and other minor violations not already listed above)
Accidents
At-fault Accidents

Exceptions (Equipment Violations and Not At-Fault Accidents)

Equipment violations are not considered a minor or major violation and will not be included in rating.

Accidents occurring under the following circumstances are considered not at-fault:

1. The vehicle involved in the accident was legally parked at the time of the accident. If the parked vehicle rolls from the parked position then any such accident is charged to the person who parked the auto.
2. The vehicle involved in the accident was struck in the rear by another vehicle and the applicant was not convicted of a moving traffic violation in connection with this accident.
3. The auto operated by the applicant or any resident operator is struck by a "hit-and-run" vehicle, and the applicant reported the accident to the police within 24 hours of discovering the accident.
4. The applicant was not convicted of a moving traffic violation in connection with the accident, and the operator of the other vehicle was convicted of a moving traffic violation.
5. Accidents involving Physical Damage, limited to and caused by flying gravel, missiles, falling objects or by contact with animals or fowl.
6. The applicant is not at fault as evidenced by a written statement from the insured establishing facts demonstrating lack of fault which are not rebutted by information in the insured's file from which the insurer in good faith determines that the insured was substantially at fault.
7. The applicant, owner or other resident operator involved in an accident is (a) determined to be 50% or less negligent, or (b) reimbursed for 50% or more of his or her damages by or on behalf of persons involved in the accident.
8. Accidents occurring when using auto in response to an emergency if the operator of the auto at the time of accident as 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.

CANCELLATIONS, REINSTATEMENTS, BALANCES & CHANGES

FLAT CANCELLATIONS

Flat cancellations are not permitted after policy inception with the exception of non-sufficient funds down payment. Policies with down payment returned for insufficient funds will be voided at inception and no coverage provided.

TOTAL LOSS

In the event of a total loss, coverage will not be cancelled unless requested by the named insured. The effective date of such cancellation will be the later of either the postmark or the request date.

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CANCELLATIONS REQUESTED BY NAMED INSURED

Cancellations requested by the named insured, must be in writing and must include the insured's signature. If requested by the named insured the effective date of the cancellation will be the later of the day received by us or the insured's requested date. If a loss payee is listed on the policy, a 10-day notice of cancellation will be sent to the loss payee. The cancellation date will be effective at the end of the loss payee's notification period.

CALCULATION OF EARNED PREMIUM

Earned premium on cancelled policies is calculated based on the reason for policy cancellation. The calculation methods are detailed below:

1. Insured's Request: prorate
2. Non-Payment of Premium: prorate
3. Company Cancel: prorate

REWRITE / REINSTATEMENT OF CANCELLED POLICIES

Policies with any lapse in coverage require a rewrite application and down payment. The rewrite application is available on the Internet under "forms" and must be mailed or faxed to the company.

When an installment check is not honored by the bank for any reason and there is a pending cancellation notice that has been issued, the policy will cancel based on the cancellation effective date of the original cancel notice.

MID-TERM REINSTATEMENT OF CANCELLED POLICIES

Under certain circumstances, we allow reinstatement of eligible Personal Auto policies after mid-policy period cancellation due to nonpayment of premium. To be eligible for reinstatement, the policy must be within 10 days of the cancellation date and meet a number of additional criteria.



Mendota^{MAX} will indicate when a policy may be eligible for reinstatement, and direct you on how to proceed.

CHECKS NOT HONORED BY THE BANK

New Business: Policies with down payment checks returned for insufficient funds will be voided at inception and no coverage provided.

In-Force Business: Payments returned to the company for non-sufficient funds will be charged a \$25.00 NSF fee. To keep coverage in force, replacement of the dishonored check including any NSF Fee, by certified funds (i.e., money order, cashier check) must be received prior to the cancellation date specified on the notice. If payment is not timely and the policy cancels, the insured must re-apply for a new policy.

If a pending cancellation has been issued on a policy and the check is not honored by the bank, the policy will cancel based on the cancellation effective date of the original cancel notice.

EXCESS AND OUTSTANDING BALANCES

Company reserves the right to waive excess or outstanding balances of \$5.00 or less, except that the actual return premium shall be allowed at the insured's request.

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CHANGES AND ENDORSEMENTS

Endorsement requests will be effective as requested provided postmark is within 3 business days. Transactions received with a postmark greater than 3 days for the requested effective date will be adjusted to 12:01 a.m. of the date following the postmark, unless prior underwriting approval was received.

Premium adjustments as a result of endorsement activity shall be calculated pro rata and will be billed and incorporated into future installments. If all payments have been received, premium adjustments will be billed or credited directly to the insured.

All premium adjustments reflect rates and rules in force at time of policy inception.

Premium adjustments are made as a result of changes in autos, drivers, and/or coverages. Adjustments are not made mid-term for attained driver age or the addition or aging of chargeable violations.

1. Reduction or Rejection of Uninsured Motorists Coverage and Underinsured Motorists coverage requires the signature of the named insureds on a completed Supplemental Automobile Application - Arizona Form. These changes will be effective no earlier than the postmark date of the request.
2. Changes to Bodily Injury coverage limits will also cause a corresponding change in Uninsured Motorists coverage limits unless a new Supplemental Automobile Application - Arizona Form is received.

RENEWALS

RENEWAL OFFERS

The renewal payment must be received prior to the effective date of the renewal. We will allow a 7 day grace period in accordance with A.R.S. § 20-1632. If payment is not received by the end of the grace period, the policy will be cancelled for non-payment of premium. The notice will be issued and effective on the day after the 7 day grace period.

RENEWAL REINSTATEMENTS

If the renewal premium is received by the company after the grace period up to 30 days after the expiration date, the policy will be reinstated effective 12:01 a.m. the date after postmark, with a lapse in coverage, if still acceptable. A policy that has been expired more than 30 days cannot be reinstated, but must be treated as new business and a new application must be submitted. The maximum number of reinstatements allowed is two after which the risk will not be reinstated. A reinstatement fee will be charged.

RENEWAL RATING

Policies will be re-rated in accordance with this manual at each renewal.

RATE CAPPING

On occasion, changes in our rating program can cause substantial increases in premium on renewal policies. We have added a step to our rating program that will cap increases which result from changes to our rating program. Renewal premium increases, prior to the application of additional driver points, will be capped at 100%. This process will take place at every renewal.

SUSPENSION OF COVERAGE

Suspension of coverage is not permitted under any situation.

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NAMED DRIVER EXCLUSION

- a. A specific named driver may be excluded from all coverages except uninsured motorists and underinsured motorists coverage provided by a new policy. The named insured must sign the "Named Driver Excluded" endorsement excluding the specifically named operator from coverage. This exclusion will apply to the new business policy term and all subsequent renewals and may only be superseded by an endorsement request to add the excluded person(s) to the policy as a driver.
- b. To exclude a specific named driver during the policy term, submit a properly completed and signed "Named Driver Excluded" endorsement showing the effective date of the change and observing proper binding rules. An amended declarations page will be issued. The "Named Driver Excluded" endorsement will only be superseded by a request to add the excluded person(s) to the policy as a driver.
- c. The following restrictions apply:
 - a. We will not write two policies in a household with different limits.
 - b. An SR-22 filing will not be made for an excluded driver.
 - c. Named insured(s) can only be excluded for the reasons of:
 - i. Suspended or revoked license;
 - ii. Unlicensed or never been licensed;
 - iii. Spouses who are legally separated;
 - iv. Spouses who have other insurance.
- d. A Named Insured cannot be excluded unless:
 - i. The spouse is also listed as a Named Insured, and
 - ii. The spouse is a rated operator on the policy.

FINANCIAL RESPONSIBILITY FILINGS

1. SR-22 Filings may be made for named insureds or resident relatives listed on the policy if required. Policies requiring a SR-22 may be issued for only 6-month policy terms. Any policy with a SR-22 must offer liability limits, which satisfy minimum financial responsibility requirements for the state requesting the filing. Financial Responsibility Filings will only be provided for the state of Arizona. Any operator requesting a filing must have a verifiable driving record and cannot be excluded from the policy. The fee for each filing is \$10, which is fully earned and non-refundable in the event of policy cancellation.
2. The Company will issue a SR-26 cancellation upon lapse or expiration of the policy.