

STERLING CASUALTY INSURANCE COMPANY

The guidelines shown here may not cover all situations completely. Final determinations of acceptability are always the responsibility of our underwriting staff.

GENERAL RULES

ELIGIBILITY

All vehicles of the private passenger type including vans not exceeding 3/4 tons and not commercially owned, nor used as a public or livery conveyance for passengers, nor used in the course and/or scope of a business, employment, profession and/or occupation, nor rented to others and owned by an individual or husband and wife, who reside with each other, are eligible.

BINDING PROCEDURES

The Agent Must:

All applications must be bound through Sterling MGA's website. A policy number will be provided at the time of issuance. All applications not bound through Sterling MGAs policy administration system will not be accepted.

Retain and upload a fully executed, complete application to Sterling MGA's website. Any supporting documentation must be submitted. The required premium is due at time of issuance. The agent should retain and upload any necessary information used in helping them to evaluate the risk.

Upload into the Sterling MGA's website all required proofs regarding discounts where applicable. If the insured vehicle is a van type or if it is equipped with handicap assistance features, photos must be uploaded regardless of the coverages selected. Power of attorney signatures are not acceptable; however, upon death of the named insured, we will accept signatures from the Executor of the Estate.

Any errors or omissions may result in revocation of your agency privileges and/or exposure to possible claims.

STERLING CASUALTY INSURANCE COMPANY

NEW BUSINESS

Application must be completed in full and signed by the applicant and the producing agent; no power of attorney signatures are acceptable. The applicant must be the registered owner and/or registrant of at least one of the vehicles listed on the application. List full names, birth dates and operators'/drivers' license numbers, if applicable, of all operators/drivers of the insured vehicle(s) and all persons, 14 years or older, licensed or not, who reside with the named insured. Failure to do so may constitute a material misrepresentation.

Motor Vehicle Reports may be used to rate new and renewal business. If statements on the application differ from the records of the Department of Motor Vehicles, the proper additional or return premium will be processed without prior notice. Post Office boxes are not acceptable for garage addresses. Zip codes must be included.

The policy will be issued based on information contained in the application. **Applications with material misrepresentation will be voided ab initio. Applications with material misrepresentation(s) may result in denial of claim(s).**

POLICY TERM

Policies may be written for a term of six or twelve months. The rates in the manual are twelve-month rates. The premium for six-month policies is 50% of the annual premium, plus 50% of the expense fees, plus the full policy fee. A policy may not be issued for a term less than 6 months.

POLICY FEES

A Policy Fee of \$25.00 is charged in accordance with Section 626.7451, (11) of the Florida Statutes on all new and renewal policies, regardless of the policy term. The per policy fee shall be a component of the rate filing and shall be fully earned upon payment. In no instance shall the aggregate of per-policy fees for a placement of business when combined with any other per-policy fees charged by the Company result in per-policy fees, which exceed the aggregate amount of \$25.00. **No commissions shall be taken out of this fee.**

CREDIT CARD AND MAINTENANCE FEE

Payments being made by credit card may incur \$5.00 processing fee. All policies that utilize our installment plan will be charged a \$10.00 maintenance fee, in accordance with Section 627.840(3) of the Florida Statutes, on the original effective date of the policies and on their annual renewals. The fee will be fully earned and will be considered part of the premium.

ADMINISTRATIVE COSTS

A licensed general lines agent selling PIP and PD only coverages, shall charge in accordance with Section 627.7295(5) of the Florida Statutes a per-policy fee of \$10.00 to cover the administrative costs of the agent associated with selling the motor vehicle insurance policy, only if there is no collateral coverage sold with the PIP and PD policy. The fee shall not be considered to be part of the premium.

LATE FEE

A \$10.00 late fee will be assessed to each installment payment made that is postmarked 6-days or more after the due date of the installment in accordance with Section 627.841(1) of the Florida Statutes.

PREMIUM ROUNDING

The premium for each coverage shall be rounded to the nearest whole dollar (\$.50 and over is rounded up).

MOTOR VEHICLE REPORT FEE

On business written pursuant to Florida Statute 627.7295(5)(b), the company's licensed MGA shall charge an MVR fee equal to its cost, when run for new or renewal business. The fee shall be fully earned and non-commissionable.

CANCELLATIONS

- a) A prorated factor will be utilized for all non-payment and company elected cancellations.
- b) A short rate factor will be used for all other cancellations. Short rate is defined as 90% of pro rate; however, if the insured is a service member, as defined in s. 250.01, who cancels because he or she is called to active duty or transferred by the United States Armed Forces to a location where the insurance is not required, the unearned premium will be calculated pro-rata.
- c) Flat cancellations are not permitted. EXCEPTION: Flat cancellation may be considered in the event of "duplicate coverage" or delivery of the automobile not being made by the dealer. Non-delivery flat cancellations will be considered only if a statement signed by the dealer to that effect is submitted with the request for flat cancellation. Duplicate coverage flat cancellations will be considered only if a copy of a policy declarations page is submitted that shows duplicate coverages for the same automobile(s), residents/operators/drivers, etc. Such duplicate coverage is subject to Company verification. The duplicate policy in force must have a policy inception date on or before the Sterling policy inception date. The policy fee will be retained by the Company. Flat cancellations will also be considered for non-sufficient funds with proper documentation and for material misrepresentation. Such cancellations will be returned in full.
- d) "Insured Request" cancellations will be accepted only when the Company receives a fully completed Cancellation Request Form # FL SCIC - 9, signed by the original applicant and the agent. Power of Attorney is not acceptable, except for premium finance companies and/or the Executor of the Estate, upon death (must provide a death certificate).

Note: The effective date of cancellation for all Insured Request cancellations will be the date requested by the original applicant, as long as the request is received by the agent or MGA within 10 days of the requested cancellation date. If received by the MGA beyond 10 days, such cancellation will become effective 12:01 A.M. on the date the request is received. If there is more than one person as Named Insured, BOTH must sign the cancellation request, (if husband and wife, only the original applicant must sign).

Per Florida Statutes, no automobile insurance policy offering liability coverage may be canceled by the insured within the first 60 days of coverage, except for transfer of ownership, total destruction of the vehicle or proof of other insurance.

- e) The premium includes a \$25.00 MGA policy fee, which is fully earned.
- f) Premium adjustments are computed on a Pro-Rata basis when changes in class, points, coverage or territory are made. New exposures will be added at the current rates in effect, as approved for use, at the time of change.
- g) In the event an Insured is charged an incorrect premium for coverage requested in the application of insurance, the MGA, upon discovery of the same, will immediately mail a Notice of Additional Premium Due. If within 10 days of the Notice of Additional Premium Due, (or a longer time period as specified in the notice), the Named Insured fails to either:
 - (i) Pay the Additional Premium and maintain the policy in full force under the original terms and conditions; or
 - (ii) Cancel the policy and demand a refund of any unearned premium, which shall be returned Pro Rata;

Then the policy shall be canceled effective 10 days from the date of the notice (or a longer time period as specified in the notice).

STERLING CASUALTY INSURANCE COMPANY

REINSTATEMENTS

Reinstatements will be accepted entirely at the Company's discretion.

ENDORSEMENT REQUESTS

You must complete the Company's Endorsement Request Form # FL SCIC - 23 through our online system. **All endorsements** that delete coverage, change policy terms, change agent of record, exclude or delete a driver or delete coverage must be uploaded to the Company, along with any supporting documentation.

The agent must notify the MGA within 72 hours of all service requests. Failure to comply with this could result in the loss of facility or in action by the MGA against your agency, should a claim occur. The only endorsement requests that the MGA needs to be notified of immediately are for additional operators/residents/insureds, additional vehicles and additional coverage.

If the endorsement request results in an additional premium:

Direct Bill: Most policy changes can be processed online and may require a portion of the additional premium to be paid at time of endorsement. The balance of additional endorsement premium will be distributed over the remaining installments.

Paid In Full: The Additional Premium must be paid in full. If the original policy is not financed, then the Additional Premium cannot be financed.

All endorsements received after 30 days of binding date will become effective on the date the endorsement is received in the Company's Office. All policy changes are calculated pro-rata.

If an automobile or resident/operator/driver is added during the term of a policy, the additional insurance must expire concurrently with the original insurance and the premium for such additional insurance shall be computed pro-rata at the rates in effect at the time the addition is made. If a policy has been written for less than one year, the premium for the additional insurance shall be pro-rata of the rate for the policy period. If an automobile replaces a vehicle covered in the policy, such replacement insurance shall be computed pro-rata at the rates in effect at inception of the policy.

If an automobile is transferred from one rating territory to another for a period of not less than 30 consecutive days, the premium for the balance of the policy period may be adjusted by endorsement at the time the change is made. The Company shall charge on a pro-rata basis the rate or rates for the territories in which the automobile is garaged during the remainder of the policy period. The premium adjustment shall be made on the basis of the rules and rates in effect at the time the change is made.

If the limit of liability or deductible amount are changed, or if forms of coverage are added, during the policy period, such adjustments in premium shall be made on the basis of the rates in effect at the inception of the policy.

All endorsement requests must conform to the underwriting guidelines and must be signed by the Named Insured and the agent. No change of Named Insured will be accepted, except for marriage, divorce, death or legal change of name. **Written proof is required.** When adding a resident/operator, a copy of the operator's license must be obtained and retained by the agent. When adding a vehicle, a copy of the vehicle registration must be obtained and retained by the agent.

RENEWALS

A renewal notice will be provided to the producer no less than 30 days prior to the expiration of the policy. If the Company does not wish to renew (in accordance with Florida Statutes), a non-renewal notice will be mailed to the Named Insured and producer no less than 45 days prior to the expiration of the policy.

All renewals bound at the agency must be processed through Sterling MGA's policy administration system. Direct Bill Renewals may be paid directly to us by the insured. If the payment is mailed to us or your agent, it must be in the form of a personal check, cashier's check or money order and must be postmarked on or before the expiration date. Optionally, the insured may make payment at the agency's office or call our office to make a payment over the phone on or before the expiration date. All renewal payments must be accompanied by the renewal offer and a completed Endorsement Form # FL SCIC - 23, if applicable. If the renewal is received after the expiration date, but within 30 days of said expiration, a No Loss Statement, Form # FL SCIC - 30, must accompany the above documents. If marital status has changed from single to married, proof of marriage must accompany the endorsement or renewal. If a listed driver has been deleted or excluded, a properly executed Driver Deletion Statement, Form # FL SCIC - 22, or the Named Driver Exclusion, found on the Renewal Premium Notice, must accompany renewal. Should no form or an incomplete form be received, the marital status will be adjusted as requested; however, all previously listed drivers will remain on the policy. Any renewals bound after the 30-day grace will be treated as new business.

MATERIAL MISREPRESENTATION OF RISK

All applicants are to fully disclose their driving record to avoid the need of an additional premium being charged or the application being voided. Any statement or description made by or on behalf of an insured in an application for an insurance policy, or in negotiations for a policy, is a representation and not a warranty. A misrepresentation, omission, concealment of fact, or incorrect statement may prevent recovery under the policy if any of the following apply:

- a. The misrepresentation, omission, concealment, or statement is fraudulent or is material to the acceptance of the risk or to the hazard assumed by the insurer.
- b. If the true facts had been known to the insurer pursuant to a policy requirement or other requirement, the insurer in good faith would not have issued the policy, would not have issued it at the same premium rate, would not have issued a policy in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss.

This may affect the applicant's eligibility to receive the benefits of the insurance policy. The policy can be canceled ab initio if a material misrepresentation is discovered. Information that is most often misrepresented includes:

1. Residents/Operators/Drivers - All operators of the insured vehicle(s) and all persons, 14 years or older, licensed or not, who reside with the named insured must be listed. Residents/ Operators/Drivers can be excluded, provided the excluded driver is the owner of another motor vehicle registered and insured in Florida with the same or broader liability insurance. However, a resident/ operator/driver cannot be excluded if the result is more vehicles than operators/drivers.
2. Vehicle usage and type.
3. Territory - Vehicle must be rated in territory garaged.
4. Operators/Drivers must have valid operators'/drivers' license.
5. All Operators/Drivers must reside in Florida for at least 10 months out of the year.
6. Driving record must be fully disclosed.
7. Named insured or their resident spouse must be a registered owner and/or registrant of at least one listed vehicle and any other vehicles listed must be owned (as registered owner and/or registrant) by either the named insured or their spouse or by a person residing with the named insured.

STERLING CASUALTY INSURANCE COMPANY

RATING

DRIVER ASSIGNMENT

All operators in the household shall be evaluated. If there are more vehicles than operators, rate the highest vehicle to the highest driver in descending order. The remaining vehicle shall be assigned a class factor of unity (1.00), excluding violation/accident surcharges.

SYMBOLS

1. Private passenger vehicles - use I.S.O. symbols.
2. For vehicles which are not published in the I.S.O. symbols pages, used for pleasure only, apply the following chart:

Original Cost New (\$)	1989 & Prior Symbol	1990 - 2010 Symbol
0 - 3,700	04	01
3,701 - 5,000	05	01
5,001 - 6,500	06	01
6,501 - 8,000	07	02
8,000 - 9,000	08	03
9,001 - 10,000	08	04
10,001 - 11,250	10	05
11,251 - 12,500	10	06
12,501 - 13,750	11	07
13,751 - 15,000	11	08
15,001 - 16,250	12	10
16,251 - 17,500	12	11
17,501 - 18,750	13	12
18,751 - 20,000	13	13
20,001 - 22,000	14	14
22,001 - 24,000	14	15
24,001 - 26,000	15	16
26,001 - 28,000	15	17
28,001 - 30,000	16	18
30,001 - 33,000	16	19
33,001 - 35,000	17	20

If no ISO symbol is available, the value used to select the symbol for rating should be clearly shown on the Application.

STERLING CASUALTY INSURANCE COMPANY

RATING

For vehicles which are not published in the I.S.O. symbols pages after 2011, used for pleasure only, apply the following chart:

Original Cost New (\$)	2011 & Subsequent Symbol	Original Cost New (\$)	2011 & Subsequent Symbol
0 - 3,000	01	32,001 - 33,000	38
3,001 - 5,500	02	33,001 - 34,000	39
5,501 - 8,000	03	34,001 - 35,000	40
8,001 - 9,000	04	35,001 - 36,000	41
9,001 - 10,000	05	36,001 - 37,000	42
10,001 - 11,000	06	37,001 - 38,000	43
11,001 - 12,000	07	38,001 - 39,000	44
12,001 - 13,000	08	39,001 - 40,000	45
13,001 - 14,000	10	40,001 - 41,250	46
14,001 - 15,000	11	41,251 - 42,500	47
15,001 - 15,625	12	42,501 - 43,750	48
15,626 - 16,250	13	43,751 - 45,000	49
16,251 - 16,875	14	45,001 - 46,250	50
16,876 - 17,500	15	46,251 - 47,500	51
17,501 - 18,125	16	47,501 - 48,750	52
18,126 - 18,750	17	48,751 - 50,000	53
18,751 - 19,375	18	50,001 - 52,500	54
19,376 - 20,000	19	52,501 - 55,000	55
20,001 - 20,625	20	55,001 - 57,500	56
20,626 - 21,250	21	57,501 - 60,000	57
21,251 - 21,875	22	60,001 - 65,000	58
21,876 - 22,500	23	65,001 - 70,000	59
22,501 - 23,125	24	70,001 - 75,000	60
23,126 - 23,750	25	75,001 - 80,000	61
23,751 - 24,375	26	80,001 - 85,000	62
24,376 - 25,000	27	85,001 - 90,000	63
25,001 - 25,625	28	90,001 - 95,000	64
25,626 - 26,250	29	95,001 - 100,000	65
26,251 - 26,875	30	100,001 - 110,000	66
26,876 - 27,500	31	110,001 - 120,000	67
27,501 - 28,125	32	120,001 - 130,000	68
28,126 - 28,750	33	130,001 - 140,000	69
28,751 - 29,375	34	140,001 - 150,000	70
29,376 - 30,000	35	150,001 and above	Not Available
30,001 - 31,000	36		
31,001 - 32,000	37		

If no ISO symbol is available, the value used to select the symbol for rating should be as shown above.

ISO SYMBOL CONVERSION CHART

1989 and Prior Symbol	1990 and Subsequent Symbol
1 - 6	1
7	2
8	4
10	5
11	8
12	10
13	13
14	14
15	17
16	18
17	20

All rates are based on 1990 and subsequent symbols.

AGE GROUPS

Age Group	Description
1	Current Model Year
2	First Preceding Model Year
3	Second Preceding Model Year
4	Third Preceding Model Year
5	Fourth Preceding Model Year
6	Other Model Years

Model Year changes on October 1. If ISO has not published a symbol for the new model year, the most recent symbol shown for the same vehicle from the prior year plus one will apply.

DRIVER CLASSIFICATIONS

The following surcharges will apply when applicable as a multiple to be applied to the class relativity factor:

DRIVER CLASSIFICATION SURCHARGES	Liability Surcharge	Collision Surcharge
A. International Driver's License	1.05	1.00
B. Distance to School/Work If vehicle is driven a total of twenty (20) miles or more to and from work or school	1.10	1.05
C. Inexperience Operators having less than three years current and continuous driving experience	1.25	1.10
D. Driver Exclusion A 10% surcharge applies to PIP and Property Damage coverages to all policies with excluded drivers. See <u>Driver Exclusion Rule</u> .	N/A	N/A
E. Expired License Operators having an expired license at inception of policy.	1.15	1.10

TERRITORIES

Refer to pages 35-62 to determine appropriate territory.

POINT SCHEDULE

Points shall be charged for all at fault accidents and convictions of violations occurring during the prior three (3) year experience period and no reduction in premium shall be made except at the anniversary date for such accidents and convictions of violations which fall outside the experience period. No policy shall be canceled and rewritten to take advantage of a rate reduction due to a reduction in points except at the request of the insured and at the customary short-rate cancellation.

Note: The application of points and resulting surcharges apply to Bodily Injury, Property Damage, Personal Injury Protection and Collision Premiums -- Uninsured Motorist and Comprehensive premiums are not surcharged for points. In addition, the experience of persons associated with the operation of a vehicle or train as public conveyance or as part of their employment for a local transit system shall not be used in determining the additional charges.

A. CONVICTIONS**MAJOR VIOLATIONS**

Chargeable if incurred in the 36 months immediately preceding the effective date of the policy

- | | |
|--|----------|
| 1. Each felony conviction of vehicular homicide or manslaughter | 7 points |
| 2. Each conviction of DUI or DWI of alcohol or drugs | 7 points |
| 3. Each conviction of racing (including drag racing) in excess of 15 MPH over posted speed limit | 5 points |
| 4. Each conviction of failing to report or leaving the scene of an accident or failing to stop and render aid involving death/injury | 5 points |
| 5. Each conviction of eluding a Police Officer. | 7 points |
| 6. Making false accident reports | 5 points |
| 7. Each conviction of willfully failing or refusing to comply with any lawful order or direction of any Police Officer or member of the Fire Department. | 3 points |
| 8. Each conviction of obstructing an Officer | 3 points |
| 9. Each conviction of reckless driving | 3 points |
| 10. Allowing unlicensed driver to drive | 3 points |
| 11. Displaying altered and/or fictitious driver's license | 3 points |
| 12. Each conviction of speeding over 15 MPH in excess of posted speed limit. | 2 points |
| 13. Each conviction of driving while license is suspended, invalid, canceled, or revoked | 3 points |
| 14. License currently suspended | 2 points |

MINOR VIOLATIONS

The first minor traffic infraction in the 18 month period immediately preceding the effective date of coverage is not chargeable. The second and each subsequent infraction convicted within the past 18 month period or third or subsequent infraction convicted within the past 36 month period is chargeable.

- | | |
|--|----------|
| 1. Allowing person to ride on exterior of vehicle | 3 points |
| 2. Careless or improper driving | 2 points |
| 3. Conviction of using a motor vehicle in commission of a felony | 5 points |
| 4. Crossing private property to avoid traffic signal | 1 point |
| 5. Defective equipment – brakes/lights | 1 point |
| 6. Disobeying emergency vehicle regulations | 2 points |
| 7. Driving in wrong direction in rotary intersection | 3 points |
| 8. Driving in improper lane | 1 point |

STERLING CASUALTY INSURANCE COMPANY

9. Driving on shoulder, ditch or sidewalk	1 point
10. Driving while disabled	2 points
11. Driving while view / mechanism obstructed	2 points
12. Driving without lights	2 points
13. Driving unlawful vehicle on road	2 points
14. Driving on wrong side of road	3 points
15. Driving wrong way on a one-way street	3 points
16. Driving too fast for conditions	2 points
17. Exceeding lawful speed limit by 15 MPH or less (but not if less than 70 MPH on 4-lane highway divided by a median at least 20 feet wide or on an interstate highway)	2 points
18. Failure to have vehicle under control or impaired driver	2 points
19. Failure to keep in proper lane	1 point
20. Failure to obey traffic intersection sign or device	2 points
21. Failure to observe safety zone	1 point
22. Failure to observe stop sign	2 points
23. Failure to signal for direction or slowing	2 points
24. Failure to stop - inoperative traffic signal	2 points
25. Failure to yield	2 points
26. Following too closely	2 points
27. Giving wrong signal or no turn signal	2 points
28. Immoral/Improper Act Involving Motor Vehicle (violation of State Codes 401 and/or 402)	4 points
29. Improper backing	3 points
30. Improper entry or exit to or from traffic way	2 points
31. Improper lane changing	2 points
32. Improper passing	2 points
33. Improper start	1 point
34. Improper turning	2 points
35. No / Improper child restraints	2 points
36. Obstructing traffic	2 points
37. Open container / Driving while drinking (DWD)	3 points
38. Passing stopped school bus	3 points
39. Racing or Dragging 15 MPH or less over posted speed limits	3 points
40. Refusal to submit to breath/urine/chemical/blood test	7 points
41. Special hazard - failure to use due care	2 points
42. Transporting hazardous substances	2 points
43. Unlawful possession of a controlled substance	3 points
44. Violation of restriction	2 points
45. Any moving traffic violation, not listed above, for which a state assigns driving points	1 point

EXCEPTIONS

Convictions for the following shall not be regarded as moving traffic violations:

1. Any Motor Vehicle "Equipment" requirement of the Motor Vehicle and Traffic Laws, except brakes.
2. Failure to display proper license plates, provided such plates are in existence.
3. Failure to have in possession, operator's or chauffeur's license, provided there is one in existence.
4. Carpool lane violation.

B. UNVERIFIABLE DRIVING RECORD

1. Operators having a driving record that cannot be verified 2 points
2. No Hit MVRs 5 points
(These points will be removed if provided with a copy of a prior operator's license in which we are capable of drawing an MVR.)

C. AT-FAULT ACCIDENTS AS EVIDENCED IN OUR FILES*

1. First automobile accident during the 36 months immediately preceding the effective date of the policy 3 points
2. Each subsequent auto accident during the 36 months period 4 points

D. UNACCEPTABLE DRIVER ENDORSED ONTO POLICY DURING POLICY TERM

1. Each driver/operator/resident added onto the policy during its term who would be considered an unacceptable operator or cause the risk to be unacceptable as defined herein 7 points

(Any policy in which an unacceptable driver is added onto it during the policy period after the first 60 days shall be non-renewed in compliance with our renewal section herein defined.)

*** Points are not chargeable for accidents occurring under any of the following circumstances:**

1. Auto lawfully parked (exception: accident is chargeable if parked vehicle rolls from parked position).
2. Applicant or resident operator is determined to be 50% or less negligent or reimbursed 50% or more of the damages by the other party.
3. Auto struck in rear by another vehicle and operator of other vehicle convicted of a moving violation.
4. Auto struck by hit-and-run vehicle provided accident reported to police or other proper authority within 24 hours.
5. Not convicted of a moving traffic violation in connection with the accident, but the operator of the other vehicle involved in such accident was convicted of a moving traffic violation.
6. Accident involving damage by contact with animals or fowl.
7. Accident involving damage limited to and caused by flying gravel, missiles or falling objects.
8. 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 insurer's file from which the insurer in good faith determines that the insured was substantially at fault.
9. Accident occurring when operator was using a vehicle while on duty as member of a police department, first aid squad or any law enforcement agency, or as a bus driver.

Note: This exception (9) above does not include an accident occurring after the emergency situation ceases or after the automobile ceases to be used in response to such emergency.

Points shall not be assigned under this subsection for the first accident in the last 3 years unless:

- a. The insured's insurer has incurred a loss under the policy, or self insured program.
- b. Our files include information which indicates that the insured was substantially at fault.

For subsequent accidents, only one of the above conditions (a) or (b) must be satisfied.

POINT ACCUMULATION

If multiple violations or a combination of accidents and violations arise out of one occurrence, charge only for the one item with the most points. If one car, use only the record of the driver that develops the highest premium. If two cars, assign the highest rated driver to the highest rated car and the next highest rated driver to the other car.

POINT SURCHARGES

Points	Surcharge Factor	
	Liability	Physical Damage
0	1.00	1.00
1	1.10	1.05
2	1.25	1.10
3	1.25	1.20
4	1.35	1.30
5	1.50	1.40
6	1.65	1.45
7	1.80	1.50
8	1.95	1.60
9	2.10	1.70
10	2.25	1.80

UNINSURED MOTORIST COVERAGE

Uninsured motorist coverage provides for payments of certain benefits for damages caused by owners or operators of uninsured motor vehicles because of bodily injury or death resulting therefrom. Such benefits may include payments for certain medical expenses, lost wages, and pain and suffering, subject to limitations and conditions contained in the policy. For the purpose of this coverage, an uninsured motor vehicle may include a motor vehicle as to which the bodily injury liability limits are less than the damages.

Florida law requires that automobile liability policies include uninsured motorist coverage at limits equal to the bodily injury liability limits in the policy, unless the insured selects a lower limit offered by the Company, or rejects uninsured motorist coverage entirely. This election shall apply to any liability policy which renews, extends, changes, supersedes, or replaces such policy, unless the insured requests uninsured motorist coverage or requires other limits of bodily injury liability in writing to the MGA's home office.

No uninsured motorist coverage is offered without the purchase of bodily injury coverage. The basic limits for this coverage is \$10,000/\$20,000 bodily injury.

All rates for this section are on the rate pages of this manual.

UNACCEPTABLE RISKS FOR NEW BUSINESS

The following risks are unacceptable for both liability and physical damage coverage:

1. Any operator/driver/resident with any DUI or DWI conviction prior to 10/01/07 with or in conjunction with other chargeable violation(s)/accidents; any operator/driver/resident with any DUI or DWI conviction on or after 10/01/07; two or more at-fault accidents in the past 36 months; or any violation/suspension due to theft of a motor vehicle and/or parts.
2. Any operator/driver/resident with 7 or more points, with the exception of item one above, or any inexperienced operator/driver/resident with 5 or more points, in the past 36 months.
3. Servicemen stationed or students attending school outside the State of Florida.
4. Any operator without a valid operator's license, except suspended or expired license.

STERLING CASUALTY INSURANCE COMPANY

5. Any operator or licensed resident with 3 accidents, regardless of fault, within the past 36 months.
6. Any operator or licensed resident who resides away at school with an insured vehicle more than 50 miles from the premises.
7. Any operator or licensed resident residing in the State of Florida for less than 10 months out of the year (No "Valid in Florida Only" licenses. Operator cannot possess a license from another state along with Florida license).
8. Any operator or licensed resident having a post office address (no street address available).
9. Any operator or licensed resident possessing a learner's license without a licensed "E" driver in residence or restricted driver's license, including type "C" , "D" , "E" , "P" & "Y" restrictions.
10. Drivers with revoked driver's licenses at time of application, or who have had a prior conviction of insurance fraud.
11. New risks where any operator has had a policy canceled or non-renewed by the Company for claims history or material misrepresentation. This does not affect renewals.
12. New risks in which operators/residents/drivers have filed a combined 1 or more PIP claims in the past 36 months.
13. Any listed vehicle garaged at a location other than the named insured's primary residence.
14. Vehicles having a non-institutional lienholder or loss payee.
15. More than one vehicle in excess of the number of Licensed "E" operators and/or Licensed "E" residents. However, a resident/operator/driver cannot be excluded if the result is more vehicles than operators/drivers.
16. Emergency vehicles.
17. Vehicles used for racing or demolition derbies.
18. Commercial vehicles or fleets (5 or more vehicles).
19. Modified, altered, mechanically restructured vehicles, or salvaged (not rebuilt) vehicles.
20. U-Drive, rental or leased vehicles, except long term lease of at least six months if not specifically excluded elsewhere.
21. Vehicles intended to be loaned or leased by the applicant to another.
22. Dune buggies, swamp buggies and all terrain vehicles.
23. Vehicles used for delivery (i.e. Doordash, Instacart, etc), limousine or taxi service, including vehicles used by civic or religious organizations, organized groups for transportation for members or guests, school and nursery children, migrant workers, vehicles used for ride-share, personal vehicle sharing program, or peer to peer car-sharing services (i.e. Uber, Lyft, Turo), or hotel or motel guests.
24. Vehicles over 25 years old for new business.
25. Kit cars, homemade vehicles, antique vehicles, motor homes or recreational vehicles.
26. Vehicles used in retail delivery; vehicles with logos or advertisements on them.
27. Vehicles with prior damage may not be acceptable, at the Company's discretion.
28. Any vehicle with less than or more than four wheels.
29. Conversion vans.
30. Cargo vans, utility vans, flatbeds for duallys.
31. Corporate owned vehicles, public vehicles, non-owners and Dealers (rental or owned).
32. Vehicles garaged or principally used outside the state of Florida.
33. Vehicles registered outside the State of Florida.
34. Vehicles weighing over 3/4 ton.
35. Any Vehicle used for Business.
36. Any vehicle garaged in Florida for less than 10 months out of the year.
37. Physically or mentally handicapped drivers, if such handicap or physical disability substantially impairs such person's mechanically assisted driving ability, or those subject to seizures or blackouts.

STERLING CASUALTY INSURANCE COMPANY

38. No Application Is Acceptable If:
- There is misrepresentation on application.
 - The application is not complete, including all necessary signatures.
 - The check submitted with the application is returned for insufficient funds.
 - The net premium check / draft is omitted or not signed.
 - The agent's binding authority has been suspended or revoked.
39. The insured knowingly allowed an unlicensed driver to operate an insured motor vehicle, resulting in an automobile accident in which we incurred a loss.
40. The named insured(s) and/or the named insured's listed spouse, residing with the named insured, is not the registered owner and/or registrant of at least one vehicle listed on application.
41. No vehicles may be listed on the policy unless owned by the named insured(s), insured's listed resident spouse, and/or by a listed resident.
42. Any vehicle specifically listed below:
- | | | |
|-----------------------|-------------------------|--------------------|
| Acura NSX | Fiat | Nissan GT-R, NV |
| Alfa Romeo | Ford McLaren, | 200 |
| Audi A8 | Mustang Bullitt, | Pantera |
| Avanti | Mustang Shelby, | Peugeot |
| Bentley | Transit Connect | Porsche (Carrera, |
| Bertone | Jaguar XK | Turbo, 911 GT2 & |
| BMW (M5, X5 M, X6 M, | Jensen | GT3, Panamera-All) |
| M6, M7, M8, Z8, I8, 7 | Lamborghini | Pontiac GTO |
| Series, 8 Series) | Lancia | Rolls Royce |
| Bradley | Land Rover/Range Rover | Smart-All Cars |
| Bricklin | Lexus (LS, SC, LX) | Sterling |
| Chevrolet HHR Panel | Lotus MG | Stutz |
| Citroen | Maserati | Tesla |
| Daewoo | Mercedes (CL, CLS, CLK, | TVR |
| Dodge Viper | SL550, SL600, S550, | Triumph |
| Duesenberg | S600, G, GL, GLS, All | |
| Excalibur | Models w/ AMG) | |
| Ferrari | Mitsubishi Evolution | |

ADDITIONAL UNACCEPTABLE RISKS FOR PHYSICAL DAMAGE

In addition to those risks listed above as unacceptable for all coverages, the following risks are not acceptable for physical damage coverage:

- Any vehicle with a rebuilt title including a salvage or a VIN number starting with "FLA".
- Gray market vehicles or vehicles designed for foreign use.
- Panel trucks.
- Automobiles not listed in NADA.
- Disabled and/or inoperable vehicles.
- Vehicles over 20 years old for new business.
- Hybrid and Electric vehicles over 6 years old for new and renewal business.
- Any Vehicle with ISO Symbol over 60.

DISCOUNTS

Note: Discounts are multiplied, not added together.

1. Safe Driver Discount (Applies only if all drivers have three years verifiable experience)

A 10% discount will be applied to any risk if all drivers on risk have at least three years verifiable experience and have had no chargeable accidents, violations, or convictions for 3 years preceding the effective date of the policy. Upon renewal of the policy, surcharge for inexperience, expired or international driver's license will not affect the applicability of this discount. This discount applies to Bodily Injury, Property Damage, Personal Injury Protection and Collision only.

2. Renewal Discount (Applies only if all drivers have three years verifiable experience)

A renewal discount based on the following table will apply provided that:

- a. The policy renewal must be free of any chargeable accidents, major speed violations and/or chargeable minor convictions (as defined elsewhere in this manual) during the policy period immediately preceding the effective date of renewal.
- b. The policy renewal must be free of major convictions, other than major speed, in the past 3 years preceding the effective date of renewal. This discount will apply to an inexperienced driver who is the spouse of the insured or a youth who has otherwise met the criteria and is insured under his/her guardian's policy; and
- c. The insured must have had continuous coverage with this Company during the qualifying period with no more than thirty days lapse in coverage between the prior policy's expiration date and the proposed effective date with this Company.

End of Qualifying Term and Each Subsequent Term	Discount
6 Months	2%
12 Months	10%
18 Months	14%
24 Months	17%
30 Months	20%
36 Months	23%
42 Months	25%
48 Months or more	30%

This discount applies to Bodily Injury, Property Damage, Personal Injury Protection and Collision Coverages.

3. Transfer Discount

- a. A 17% discount will apply if all drivers have 3-years previous experience, or a 10% discount will apply if less than 3 years experience, provided we receive proof of prior liability coverage for a policy that has been in force for a minimum of 6 months continuous coverage, with no more than thirty days lapse in coverage between the prior policy's expiration date and the proposed effective date with this Company. This discount applies to Bodily Injury, Property Damage, Personal Injury Protection and Collision Coverages.
- b. To qualify for a transfer discount, proof of liability coverage with prior company must be sent to the Company. Proof may be in the form of a new or renewal Declarations Page, or a renewal offer, or a non-renewal notice, only if the non-renewal is due to agent no longer represents company and/or company no longer doing business. All drivers must be free of any chargeable accidents or chargeable minor/major convictions (as defined elsewhere in this manual).

4. In-House Agency Transfer Discount

- a. A 3% discount will apply if the policy is eligible for the Transfer Discount and it was written by the same agency submitting the application to the Company. This discount applies to Bodily Injury, Property Damage, Personal Injury Protection and Collision Coverages.
- b. To qualify for the In-House Agency Transfer Discount, the proof of prior liability coverage provided for the Transfer Discount must list that the coverage was written by the same agency submitting the application to Company.

5. Multi-Car Discount

A 10% discount is applied to the Bodily Injury, Property Damage, Personal Injury Protection, Comprehensive and Collision coverages, excluding the expense fee, on all vehicles, in which coverage is the same for two or more vehicles.

6. Mature Operator Motor Vehicle Accident Prevention Course Discount

A 5% discount will be given where there is a principal operator 55 years of age or older, holding a valid Florida operator's license, and who has successfully completed a motor vehicle accident prevention course approved by the Florida Department of Highway Safety and Motor Vehicles. This discount applies to Bodily Injury, Property Damage, Personal Injury Protection and Collision.

- a. This discount is applicable only upon receipt of a copy of the certificate of successful completion of the course, which shall have been completed every three years in order to continue to be eligible for the discount.
- b. The discount only applies to the automobile principally driven by the operator who qualifies and only once to each automobile regardless of the number of operators who qualify.
- c. As a condition of maintaining this discount, the operator shall not be involved in an accident for which the operator is at fault and not be convicted, plead guilty or nolo contendere to a moving traffic violation.
- d. This discount shall not apply in the event the approved course is taken as punishment specified by a court or governmental entity resulting from a moving traffic violation.

7. Anti-lock Brake System Discount

A 5% discount for Bodily Injury, Property Damage, Personal Injury Protection and Collision Coverage shall be afforded for those automobiles equipped with a factory-installed, Anti-Lock Braking System (ABS) or approved non-factory installed device.

8. SRS – Airbag Discount

A 10% discount will be applied to Personal Injury Protection coverage if the insured vehicle is equipped with one factory installed Supplemental Restraint (Air Bag System) and a 15% discount will be applied when vehicle is equipped with two.

9. Anti-theft Discount

A discount will be allowed for Comprehensive Coverage if the automobile is factory equipped with (1) a hood lock which only can be released from inside the vehicle, and (2) a device meeting the criteria below. If the automobile is equipped with both devices, only the single, highest discount will apply.

- a. Alarm only, Active and Passive Disabling Devices.
A 10% discount will apply to Comprehensive Coverage on automobiles equipped with alarm only devices which sound an alarm that can be heard a distance of at least 300 feet for a minimum of 3 minutes, or an active or passive disabling device.
- b. A 15% discount will apply to Comprehensive Coverage on automobiles equipped with an anti-theft, recovery system device which is factory installed.

Note: Recovery Device Discounts only apply if written proof is provided to the Company.

10. Homeowner Discount

A 8% discount may be applied to the policy provided the applicant listed on the application owns and occupies a home, condominium or mobile home within the state of Florida for a minimum of 12 months out of the year. Proof of ownership must be submitted with the application in the form of a Declarations Page from the Homeowners policy, property tax bill, mortgage statement or deed. If proof of ownership is received after the receipt of the application, the discount will be endorsed on to the policy effective from inception of policy. This discount applies to BI, PD, PIP and Collision.

11. Persistency Discount

A 8% discount will be applied to the Bodily Injury, Property Damage, Personal Injury Protection, Comprehensive and Collision premiums, excluding the expense fee, on all renewal policies, regardless of risk experience.

12. Paperless Discount

A 2% discount will be applied to Personal Injury Protection and Property Damage Liability if the policy holder elects to receive all policy documents electronically.

STERLING CASUALTY INSURANCE COMPANY

All discounts and surcharges are to be multiplied together, not added.

DEDUCTIBLES

The premiums on the rate pages are for \$500 deductible (Comprehensive and Collision). To decrease the deductible to \$250, multiply the \$500 deductible rates by a factor of 1.25, but subject to a maximum additional premium of \$250.00 per coverage. To increase the deductible to \$1,000, multiply the \$500 deductible rates by a factor of 0.80, but subject to a maximum decrease premium of \$250.00 per coverage. Note: Both Comprehensive and Collision must be written with the same deductible.

The following available deductibles and their corresponding rating factor for Personal Injury Protection are shown below.

"Owner," with respect to the application of deductible for Personal Injury Protection, means "natural person".

Deductible Amount	Deductible applicable to Named Insured Only	Deductible applicable to Named Insured and Each Resident Relative
\$250.00	.925	.885
\$500.00	.850	.770
\$1,000.00	.775	.655

The following options are also available:

At the election of the named insured, benefits for work loss may be excluded from Personal Injury Protection.

1. For the named insured at a 5% reduction for the Named Insured only, or
2. For the Named Insured and relatives at a reduction of 10% for such Named Insured and relatives; from the otherwise applicable Personal Injury Protection rate.

FINANCIAL RESPONSIBILITY

Financial Responsibility filings will be made only in the State of Florida. SR-22's will only be written on the registered owner or spouse of the insured vehicle. (\$15 fully earned, non-commissionable filing fee and 2 point surcharge apply.)

NON-CANCELABLE SR-22'S

Florida registered owners who receive a court order suspension for violating the Florida No-Fault Insurance Law, per Section 627.7275 of the Florida Statutes, or for violating the Financial Responsibility Law, per Section 324.023 of the Florida Statutes as regard to DUI/DWI, are required to have a six-month non-cancelable policy.

These policies must be issued for a period of at least 6 months, paid in full, and shall be non-cancelable for any reason by the insured or by the insurer after a period not to exceed thirty days. The policies cannot be financed. A call must be placed to the Company to acquire an immediate policy number and the policy will be bound at this time. (\$15 fully earned, non-commissionable filing fee and 2 point surcharge apply. The 2 points will not be considered part of the accumulation of points in determining acceptability of the risk.)

REPORTING LOSSES AND CLAIMS

All losses and claims must be reported directly to the MGA by the agent or the insured; no FAXs are acceptable.

HURRICANE WATCH OR WARNING BINDING SUSPENSION

When the National Hurricane Weather Service issues a hurricane watch or hurricane warning for the area in which the applicant's vehicle(s) is garaged, Sterling Casualty Insurance Company will automatically suspend binding of new business for that area. There will be no exceptions. When the hurricane watch and/or warning is lifted by the National Weather Service, Sterling Casualty Insurance Company will reinstate normal binding procedures.

NON-RENEWALS

Any unacceptable risk as defined in our underwriting guidelines, which was unacceptable at the time the original policy was bound or became unacceptable during the term of the policy as a result of changes made to the risk insured, may be subject to non-renewal. These risks will include the list of Unacceptable Risks as defined under the Unacceptable Risks section and the Additional Unacceptable Risks for Physical Damage section of the manual. They will also include such risks as follows:

1. The insured knowingly allowed an unlicensed driver to operate an insured motor vehicle.
2. A loss incurred and the insured refused to cooperate in our investigation, thus prejudicing our defense.
3. Unlisted operator who "regularly uses" the insured vehicle or excluded driver operating insured vehicle.
4. Unlisted licensed, resident relative operating insured vehicle.
5. Claims history in accordance with Florida Statutes.
6. The insured has committed a fraudulent act and/or has materially misrepresented the facts as per the Manual Section captioned Material Misrepresentation of a Risk.
7. A permissive user of the insured vehicle used the vehicle in commission of a felony, resulting in an automobile accident.
8. The insured voluntarily made his automobile keys available to an otherwise non-permissive user.
9. The insured permanently moves to a residence out of the state of Florida.
10. The non-clearance of a suspense issue.
11. Any insured vehicle garaged at a location other than the named insured's primary residence.

If the Company does not wish to renew (in accordance with Florida Statutes), a non-renewal notice will be mailed to the Named Insured and the agent of record no less than 45 days prior to the expiration of the policy. "Regularly uses" is defined as using the vehicle more than once a month on average throughout the year.

DRIVER EXCLUSION

An operator(s) may be excluded from a policy:

1. On new business, the named insured must properly complete the Driver Exclusion section on the application and sign where indicated in said section. This exclusion will apply to the current policy term and all renewals. It may only be superseded by a completed Endorsement Request Form # SCIC - 23, adding the excluded driver back onto the policy as a driver, or a completed Endorsement Form # FL SCIC - 23, if the excluded driver is no longer a resident relative.
2. During the policy period, the named insured must properly complete a Driver Exclusion Affidavit, Form # SCIC - 22, excluding the driver from the policy.
3. Upon renewal by properly completing the form shown on the Renewal Premium Notice.
4. Additional interests at the insured's request may be excluded, while driving the vehicle.
5. Exclusions are not available on any policy with an SR-22 Filing.
6. Exclusions do not apply to PIP and Property Damage coverage; however, Property damage is limited to \$10,000 on excluded drivers.
7. The 10% applicable surcharge applies to PIP and PD premiums for each and every vehicle on the policy.
8. Named Insured cannot be excluded unless he/she is not licensed.
9. Operator/driver cannot be excluded if the result is more vehicles than operators/drivers.
10. ANY licensed operator/driver, who operates a listed vehicle on the policy, including the named insured and/or listed spouse, who resides with insured, cannot be excluded.
11. ANY licensed operator/driver who is the sole registered owner and/or registrant of a listed vehicle on the policy, including the named insured and/or listed spouse, who resides with insured, cannot be excluded.