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Old American County Mutual Fire Insurance Company

Texas Private Passenger Auto Program

Rating & Underwriting Manual

09/01/2025 for New Business and

09/01/2025 for Renewal Business

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Underwriting Guidelines & Rules

100. OVERVIEW OF RULES

Bluefire Insurance Services (Bluefire) offers a broad range of coverages to protect liability and/or physical damage for private passenger auto customers. Bluefire reserves the right to make final underwriting decisions regarding the acceptability of risks, limit of coverage and deductibles.

101. DESCRIPTION OF COVERAGES

In this section, we describe for each coverage available, applicable limits of liability. Please see your coverage form for specific coverage and limitations.

A. Bodily Injury (BI) and Property Damage (PD):

Split Limits of Liability	
Bodily Injury	Property Damage
\$30,000 per person/\$60,000 per accident (minimum state limits)	\$25,000 per accident

B. Uninsured/Underinsured Motorists (UM/UIM): UM/UIM Coverage pays for damages which an insured is legally entitled to recover from the owner or operator of an uninsured or underinsured motor vehicle because of bodily injury or property damage sustained by an insured and caused by an accident.

We will provide UM/UIM Bodily Injury and Property Damage Coverage on every policy with limits equal to the BI and PD limit, unless a signed Uninsured/Underinsured Motorists Coverage Selection form is received rejecting coverage. The named insured may reject UM/UIM BI or PD coverage by submitting a written request and must be signed by the named insured(s). The named insured only has to make the selection once and the limit selected will apply to any newly added vehicle(s), as well as subsequent renewals.

Split Limits of Liability	
UM/UIM BI	UM/UIM PD
\$30,000 per person/\$60,000 per accident	\$25,000 per accident

C. Medical Payments (MP): Medical Payments Coverage pays for reasonable and necessary medical, hospital, X-ray, etc. expenses incurred by you, other residents in your household, and occupants of your automobile for injuries. This coverage may only be written for all vehicles on the policy, if PIP Coverage has been rejected, and vehicles are covered for liability.

Limits of Liability
\$500 per occurrence
\$1,000 per occurrence

D. Personal Injury Protection (PIP): Personal Injury Protection Coverage pays for reasonable and necessary medical expenses, loss of wages and death benefits incurred by you, other residents in your household and occupants of your automobile for injuries.

We will provide PIP coverage on every motor vehicle on a policy with limits of \$2,500, unless a signed PIP Selection form is received rejecting coverage. The named insured may reject PIP coverage by submitting a written request and must be signed by the named insured(s).

Limits of Liability
\$2,500 per occurrence

- E. Comprehensive (Other than Collision [OTC]) & Collision (COLL):** Comprehensive and collision coverage are physical damage coverages that cover damages to your automobile if they are caused by a fire, theft, or accident. Physical damage coverages are optional coverages that may be purchased for an additional premium.

Comprehensive and collision coverages must both be purchased together; one may not be purchased without the other, and these coverages are available on vehicles that are covered for liability.

Below are the deductible options available for each coverage. Selected deductibles may not differ by coverage.

Comprehensive Deductible Options	Collision Deductible Options
\$250, \$500, \$750, \$1,000, \$2,500	\$250, \$500, \$750, \$1,000, \$2,500

Note: Please refer to supporting document requirements and ineligible vehicles of this manual for information on when and how these coverages may be added to a motor vehicle.

- F. Accident Death and Dismemberment (AD&D):** Accidental Death and Dismemberment Coverage pays for each named insured that suffers accidental death and dismemberment during an accident. Please refer to the coverage form for specific coverage and limitations.

Limit
\$1,000
\$5,000
\$10,000
\$20,000

- G. Rental Reimbursement:** Rental Reimbursement Coverage pays for a rental vehicle in the event of an accident. Rental Reimbursement is an optional coverage that may be purchased for vehicle(s) carrying Comprehensive and Collision coverage. This coverage must be purchased for each vehicle separately. Please refer to the coverage form for specific coverage and limitations.

Limit per day up to maximum
\$15/\$450
\$20/\$600
\$25/\$750
\$30/\$900

102. APPLICATION & SUPPORTING DOCUMENTS

- A.** Applications for new business must be fully completed and signed by the agent and applicant through Bluefire's policy administration system. The agent must submit the completed and signed application to the Company along with any necessary supporting documents. Any other supporting documents not submitted to the Company must be retained by the agent. Applications are required to have:
1. Signature by the applicant/named insured(s) and agent
 2. Eligible drivers and vehicles only, unless prior underwriting approval
 3. All vehicle and driver information, including but not limited to, year/make/model/VIN and driver's license/loss history. Please include all non-drivers as well, including non-licensed household members over 14 years old, permitted, or excluded drivers.
 4. Clearly identified coverage limits and deductibles
 5. Been written by an appointed agent, include name, address and agent code
 6. All waivers and/or exclusion forms
- B.** The following supporting information may be required by the Company:
1. Proof of Discount(s)
 2. Proof of Not-At Fault Accident(s)
 3. Photos of vehicle(s) with physical damage coverage, including OTC, COLL, UM/UIM PD
 - a. Photos may not be required for vehicles with liability only coverage
 - b. Photos are required for vehicles that have physical damage coverage included. If photos are not provided by the insured to the agent and/or Company within three (3) business days along with the application and other supporting documents, the policy may remain in-force with a triple deductible, which is 3 times the applicant/ insured's selected physical damage deductible(s), up to a maximum of \$2,500. For example, the insured selected a collision deductible of \$500 and did not provide photos, then the insured's applicable deductible will be $\$500 \times 3 = \$1,500$.
 - c. Photos must be taken on or after inception. Outdated photos will incur the triple deductible.
 4. Foreign license and/or other acceptable ID, as needed
 5. Any other requested documentation

103. POLICY TERM

This policy may be written for a term of 1, 3, or 6 months. 12-month policy terms are currently not available under this program. This policy may be renewed for an additional policy period based on continued eligibility.

104. MINIMUM PREMIUM

This program does not have a minimum premium.

105. WAIVER OF PREMIUM & ROUNDING

A. Premium Adjustments:

1. Less than \$5 will be automatically waived. Notification is provided to the insured that a return premium of less than \$5 will be issued at the request of the insured.
2. \$5 or more will be billed or credited on a pro-rata basis.

B. Rounding is completed as follows (where applicable):

1. \$0.01 to \$0.49 is rounded downward to the next lower whole dollar; and
2. \$0.50 or more is rounded upward to the next higher whole dollar.

106. CANCELLATION, REINSTATEMENT & NON-RENEWAL

Cancellations, reinstatements and non-renewals follow the policy form; complying with state requirements. Any unearned premium will be returned on a pro-rata basis.

A. Flat cancellations are not permitted except for the following reasons:

1. Insufficient funds tendered for the Down Payment
2. Duplicate Coverage (a copy of declarations page showing effective date and coverages is required).

B. Insured request cancellations

1. Requests must be in writing and signed by the named insured.
2. The effective date of cancellation may not be earlier than the date your agency is notified by the insured.

C. Exceptions

1. In the case of duplicate coverage, Bluefire must receive the insured's signed request and a copy of the Declarations Page from the issuing carrier. The submitted Declarations Page must indicate concurrent coverage and show the same vehicle(s) as Bluefire policy. The cancellation request for duplicate coverage must be received within 30 days of the Bluefire policy effective date, or cancellation will be effective date of receipt of duplicate coverage

2. Cancellation because of a total loss will be completed only upon the receipt of the insured's request and will be processed effective the day after the loss, but only if the request is received within 30 days of the loss date. Otherwise, they will be processed as of the date received by the Company.

107. PREMIUM PAYMENTS

- A. **Full Pay Plan** (*Paid in full*): 100% of the policy premium and all applicable fees are paid at inception. This pay plan available for all policies but is required for policies written under a 1 or 3-month policy term.
- B. **Other Payment Plan Options:**
 1. **4-Pay Plan** (Available to 6-month policies only): A minimum of 23.00% of the policy premium are paid at inception and subsequently the remainder of the policy premium and applicable fees are spread amongst 4 payments due every 30 days after the first payment due date. First payment is due 30 days after the effective date of the policy.
 2. **5-Pay Plan** (Available to 6-month policies only): The insured may choose down payment % of the policy premium as noted below to be due at inception along with all applicable fees and subsequently the remainder of the policy premium and applicable fees are spread amongst 5 payments due every 30 days after the first payment due date.
Down Payment Options
 - 23.00% of the policy premium, first payment is due 30 days after the effective date
 - 18.00% of the policy premium, first payment is due 20 days after the effective date
 - 16.67% of the policy premium, first payment is due 18 days after the effective date
- C. **Pick Your Own Due Date** (Available on payment plan options other than Full Pay): The insured may request to change their payment due date at the time of inception to be between 18 and 45 days from the policy inception date. The down payment will be adjusted so the policy remains in equity and subsequently the remainder of the policy premium and applicable fees are spread amongst the number of payments under the selected plan. The company may limit, at any time, the number of days the insured can select from.
- D. We may reserve the right to change pay plan availability.

108. MOTOR CLUB

The following motor clubs are available, for a charge, through a third party vendor:

1. Continued Mobility Motor Club (CMMC)

200. UNDERWRITING GUIDELINES

The following guidelines describe exposures that are eligible and ineligible for our program. Exposures not listed in this section as either eligible or ineligible will require prior underwriting approval.

201. ELIGIBILITY – DRIVERS, VEHICLES

A. Eligible Drivers

1. Named insured(s) are 18 years of age or older
2. Named insured(s) spouse, common law spouse, or domestic partner(s) as defined by state law must be household members.
3. Drivers with an acceptable driver's license type includes drivers licensed in the state of Texas, licensed outside of the state of Texas or licensed in a country other than the United States, and is not licensed in any U.S. state. Non-licensed drivers may be accepted. This includes drivers who are not licensed in any U.S. state or foreign/international country outside of the U.S.
4. Drivers with an acceptable driver's license status. This includes active, expired and permitted. Drivers with a suspended or revoked license are only acceptable if an SR-22 is requested.
5. Drivers accepted with a Prohibited Driver/Vehicle/Risk Surcharge.
6. Drivers do not have a physical or mental impairment that impact his/her ability to safely operate a vehicle.
7. All drivers must live in the insuring state and have a mailing address that is the same as the garaging address. The only exception is when the mailing address is a PO BOX.

B. Eligible Vehicles

Note: This prohibition does not apply to any newly acquired vehicles.

1. Vehicles that are considered private passenger autos including trucks, vans, SUV's, pickup trucks up to 10,000 lbs gross vehicle weight (GVW) or a load capacity of one-ton rating. These may not have less or more than four (4) wheels.
2. All vehicles are individually owned or leased.
3. All vehicles must be garaged in the insuring state at least 10 months out of the year.

C. Ineligible Drivers, Vehicles, and/or Risks

Note: This prohibition does not apply to any newly acquired vehicles.

1. Drivers that **lives outside of the household**. This does not apply to a dependent student away from home or military personnel.
2. Drivers with a **felony conviction involving a motor vehicle**, e.g. vehicle manslaughter, theft
3. Drivers with a **felony narcotics or drug conviction** involving a motor vehicle in the past ten (10) years
4. Drivers that are a **celebrity or public figure**, includes but is not limited to, a person of great interest such as a business leader, movie star, or sports hero. This rule is not applicable to elected officials.
5. Drivers previously convicted of a **major crime, insurance fraud or material misrepresentation**
6. Drivers **less than 16 years' old**. This does not include permitted 15-year-old driver(s).
7. Drivers that **does not live in the insuring state**
8. Drivers **over the age of 75 years old** without a completed Medical Information Form
9. Drivers **treated for a physical or mental condition** that may affect driving capabilities without a completed Medical Information Form

10. Drivers with a **suspended, revoked or invalid driver's license**. This does not apply if the driver has a suspended license with an SR-22 filing or drivers accepted with Prohibited Driver Surcharge.
11. **Driver Record** – Any drivers with more than 11 aged accident and conviction points. Please refer to Rule 302. for lookback period, accident and violation types, and point assignment.
12. **Drivers with three (3) or more at fault accidents in the past five (5) years.**
13. Named insured(s) that are **not an individual**, such as estate, corporation, receivership, partnerships
14. Named insured(s) **less than 18 years' old**
15. Named insured(s) are a **non-owner**. This does not apply if the Named Non-Owners Endorsement is added on the policy.
16. Drivers that are Bluefire appointed agents or employed in a Bluefire appointed agency.
17. Vehicles **garaged away from the garaging address**
18. Vehicles located at a **garaging address outside of a standard ZIP code**
19. **Any of the following vehicle types:** grey market, race car, prototypes, kit car, classic, antique, motorhome, recreational vehicle, flatbed, dump trucks, stake beds, off-road, dune buggies, farm truck, garage or service loaner, corporate or government owned vehicle, emergency vehicle, taxis, limousines, rental car, fiberglass, vehicle with a snowplow, vehicle with a driver training wheel, vehicle with more or less than four (4) wheels, cargo/e-series van
20. Vehicles used for any type of **business use**. This does not apply if the vehicle use business surcharge is applicable.
21. Vehicles **leased for less than 12 months**
22. Vehicles used for or with excessive modifications for on-or-off track **racing and/or speed contests**
23. Vehicles used for **commercial use** including public or livery conveyance, any type of delivery, taxi for hire, pickups or vans used in business by tradesmen or artisans that require a commercial auto policy.
24. Vehicles **not registered in the insuring state**
25. Vehicles **not in safe mechanical condition**
26. Vehicles **older than 35 years' old** for liability only or **older than 25 years' old** if physical damage is added to the vehicle. The vehicle age restriction does not apply for renewal business.
27. Vehicles with **unrepaired, excessive or accident-related existing damage** e.g. ropes being used to hold the doors or bumper, no headlights or taillights (*applies only if physical damage coverage is added to the vehicle*)
28. Vehicles with an **ACV (actual cash value) or cost new greater than \$50,000** (*applies only if physical damage coverage is added to the vehicle*)
29. Vehicles with a **title designated** as flood, salvaged or rebuilt (*applies only if physical damage coverage is added to the vehicle*)
30. **Electric** vehicles (*applies only if physical damage coverage is added to the vehicle*)
31. Vehicles with a **performance type** of sports premium
32. Vehicles with **500 or greater horsepower**
33. Vehicles in which a **symbol** cannot be found
34. Any vehicle that is part of a peer to peer car sharing program

35. Fully autonomous driving vehicles

202. BINDING REQUIREMENTS

- A.** Upon binding of a policy, the following are required:
1. Complete and signed application and down payment must be collected upon binding.
 2. Supporting documentation must be submitted within three (3) business days of submission. This may include but is not limited to proof of discount, photos, driver exclusion form, rejection forms, and/or copy of foreign license or other form of identification deemed acceptable by underwriting.
- B.** All policies may be made to have a policy effective date on the same day the application is bound or with a future policy effective date up to 30 days from the current date. Applications will not be accepted if the selected policy effective date is prior to the current date.
- C.** For policies effective on the date of the application, the policy will go into effect at the time bound. For policies effective with a future policy effective date, the policy will be effective at 12:01a.m. on that date.

203. MORATORIUMS

- A.** Binding authority may be temporarily suspended during inclement weather.
- 1.** All physical damage (collision and other than collision) coverage binding authority is suspended in areas where the National Weather Service (NWS) has issued a hurricane, flood, tropical storm, tornado and/or other similar natural disaster watch, warning or advisory within 100 miles of the location of the proposed risk.
 - 2.** No new business with physical damage coverage may be bound.
 - 3.** No endorsement on existing policies may occur which would increase exposure, including no adding of physical damage coverage or decrease in physical damage deductible.
 - 4.** Renewals of the company's expiring policies may be processed with the existing coverages. No increases in exposure will be accepted.
- This does not apply to newly acquired autos. Please see your coverage form for specific coverage and limitations.
- B.** Once the watch, warning or advisory has been lifted by the NWS, the moratorium/binding authority restrictions will be lifted as well and acceptance procedures will resume as usual. Please note that acceptance will be at the underwriter's discretion and each vehicle may require photos to determine if there is any pre-existing damage.
- C.** Please note that a reminder of suspended binding authority may be sent to agents. However, the absence of a reminder does not imply the restriction is not in place.
- D.** Policies that are pending cancellation may be satisfied and taken out of pending cancellation status. Policies that have already been cancelled cannot be reinstated until after the binding suspension is lifted.

Rating Manual

300. RATING & RULES

This Rating Manual provides the rating rules for rating factors, premium credits and charges, and additional & optional coverages that apply to our program. This Rating Manual complements this programs rate pages, which is a comprehensive list of all rating factors, premium charges and rate order of calculation. Both, rating manual and rate pages, are necessary to develop the final policy premium.

301. DRIVER CLASSIFICATION

- A.** Drivers are classified by age, gender, marital status and rural/urban.
- B. Age**
Age attained by the driver's last birthday on or before the inception of the policy term.
- C. Marital Status:**
1. Single: A driver who is not married, as defined below.
 2. Domestic Partner: A driver rated as married, as defined below.
 3. Married: A driver who is legally married or who is deemed married pursuant to state law, who is living with his or her spouse or domestic partner. The spouse or domestic partner must reside in the same household as the named insured, however, this does not apply to a separated spouse during a period of separation in contemplation of divorce, members of the United States Armed Forces, or temporary situations.
 - a. When a driver is classified as married their spouse must be listed on the policy, included or excluded.
 4. Widow/Widower: A driver who was legally married, but whose spouse is deceased. Widowed drivers are rated as married.
 5. Married with Excluded Spouse: This will apply to a named insured that is married, as defined above, and their spouse is excluded from the policy.
- D. Rural/Urban**
Rural/Urban is defined based on the zip code of the garaging address on the policy. Based on that zip code, the local will be classified as either rural or urban.

302. ACCIDENT & CONVICTION POINT FACTOR

- A. Not-At-Fault Accident (NAF):** A Not-At-Fault Accident is any accident that does not meet the definition of At-Fault Accident. If an accident has an At-Fault indicator or does not have a fault indicator and the named insured is requesting to re-classify as Not-At-Fault, the named insured will be required to provide proof that the fault indicator is Not-At-Fault for underwriting approval.
- B. At-Fault Accident (AF):** An At-Fault Accident is any accident where the driver is determined to be at-fault and is involved in a bodily injury loss, with or without property damage, or property damage loss of more than \$1 without bodily injury during the 60 months prior to the effective date of coverage for new business or the upcoming expiration date for renewals. For accidents surcharge period, only those At Fault Accidents occurring in the last 36 months will receive points.
- C. Chargeable Conviction:** A chargeable conviction is a minor, intermediate or major violation for which the driver is convicted during the 36 months prior to the effective date of coverage for new business or the upcoming expiration date for renewals. The lookback period is determined based on the violation date of the conviction. If the violation date is not available, then the conviction date will be used.
 1. Minor convictions are those that are 1 or 2 points such as speeding less than 25 mph or passing where prohibited.
 2. Intermediate convictions are those that are 3 to 4 points such as speeding greater than 25 mph or careless/negligent driving.
 3. Major convictions are those that are 8 points or greater such as hit and run, vehicular fatality, or reckless driving.
 4. Driving Under Influence (DUI) are those that are 6 to 8 points in last 60 months.
 5. Equipment violations are those that are 1 point such as a defective equipment.

D. Point Table

Accident/ Violation Type	Example	1st Offense	2nd Offense	3rd+ Offense	0-12 months	13-24 months	25-36 months
No Points		0	0	0	0	0	0
Equipment	Defective Equipment	0	1	1	0	-1	-1
Minor	Speeding <25 mph	1	2	2	0	-1	-1
Intermediate	Speeding 25+ mph	3	4	4	0	-1	-2
Major	Hit & run	8	99	99	0	0	-2
At-Fault Accident	BI >\$1 paid	4	4	4	0	-1	-2
DUI	DUI	6	6	8	0	-2	-3

**Minimum allowed number of points = 0*

***If 99 points on endorsement, then the prohibited driver surcharge will be applied.*

303. DRIVER AVERAGING

Driver averaging is a household average of the risk factors of all rated drivers. The average driver rating is determined based on the number of rated drivers, not to exceed the number of vehicles. It is applied to each coverage for all vehicles on the policy.

304. MODEL YEAR

Model year is determined by the vehicle manufacturers. A factor based on model year is used in rate development. If the vehicle is rebuilt or structurally altered, the year of the chassis can be used as the model year of the vehicle.

305. SYMBOLS FOR RATING

- A. The vehicle symbol is an indication of a vehicle's safety, potential for damage, potential theft and other damageability factors. ISO symbols are used for each vehicle, if available.

- B. If an ISO symbol is not available, we assign the symbol based on the following:
 - 1. **Liability (BI/PD, UMBI, UMPD, MP, PIP)**
If there is a prior year symbol for the same make/model, use the two-character symbol from the prior year model.

 - 2. **Physical Damage (Comp, Coll)**
If there is a prior year symbol for the same make/model, use the symbol from the prior year model. If there is no prior year symbol for the same make/model, assign the symbol based on the original cost new (manufacturer's suggested retail price in the U.S.).

 - 3. **All Coverages**
If the vehicle symbol cannot be found, or is unavailable based on 1 and/or 2 above, the vehicle is unacceptable in the program.

306. VEHICLE HISTORY

Vehicle History is based on the following indicators of the vehicle:

- Severe Damage
- Excess Damage
- Branded Title, such as a total loss
- Potential Damage Indicator

307. OWNERSHIP HISTORY

The Ownership History factor is based on the following characteristics of the vehicle:

- Number of prior owners
- Whether the vehicle has been previously used for business purposes
- Number of months the current owner has owned the vehicle
- If the vehicle is currently being used for business purposes

308. DOUBLE/TRIPLE DEDUCTIBLE

- A.** For a premium credit, a double or triple deductible may be applied to comprehensive and/or collision coverage of a vehicle, up to a maximum of \$2,500. If selected, this option applies to all vehicles on the policy with comprehensive and/or collision coverage for the first 60 days of the policy term. Option available only for 6-month policies. Selected deductible cannot be changed during this first 60 days. After the 60 days, the credit will remain on the policy. This selection can only be made at the time of new business.

- B.** Double Deductible: Example is the insured selected a collision deductible of \$500 and selected the double deductible, then the insured's applicable deductible for the first 60 days of the policy from the inception date will be $\$500 \times 2 = \$1,000$.

- C.** Triple Deductible: Example is the insured selected a collision deductible of \$500 and selected the triple deductible, then the insured's applicable deductible for the first 60 days of the policy from the inception date will be $\$500 \times 3 = \$1,500$.

309. VEHICLE PROFILE

The Vehicle Profile factor is based on the following characteristics of the vehicle:

- Prior Insurance, at least 6 months of continuous prior insurance with no more than 30 days' lapse, and the policy must be claims free (no at-fault-accidents) in the last 12 months.
- Coverage selected for the vehicle, Full Coverage (includes Comprehensive and/or Collision coverage) or Liability only
- Lienholder presence

310. VEHICLE USE

A. Business Use means:

1. Auto is required by or customarily involved in the duties of the insured or any other household residence customarily operating the auto, in an occupation, profession or business, other than going to and from the principal place of occupation, profession or business.
2. This includes vehicles used for driving to and from sales appointments like an agent or realtor, or pickups/vans used in business by a tradesman/artisan.
3. The following risks are not available for business use, and are unacceptable to the program: chauffeurs, TNC operators, day care providers, patient transports, home healthcare workers, home cleaning service providers, or any other occupation which requires more than 4 hours per work day in any vehicle.

B. Pleasure Use means:

1. No Business Use, as defined above.
2. Personal use, including driving to and from work or school

311. ANNUAL MILEAGE

A. Annual mileage means the estimated mileage the insured expects the vehicle will be driven for the twelve (12) months following the policy inception or renewal.

B. Determine Annual Mileage

1. At new business, the annual mileage is established by using the odometer readings or estimated annual mileage off of service agreements, smog checks, or other reliable third party sources. Additional support will be required from the insured for changes.
2. If at renewal an updated annual mileage is not provided by the insured or validated through a reliable third party source, the annual mileage will be based on the annual mileage from the expiring policy term.

312. HOUSEHOLD COMPOSITION

The Household Composition factor is based on the following characteristics of the auto policy:

- Number of vehicles
- Number of rated drivers
- Marital status of the named insured
- Macro Territory, defined based on the zip code of the garaging address

313. PRIOR POLICY ACTIVITY

The Prior Policy Activity factor applies for existing Bluefire customers, on renewal only, and is based on the following characteristics of the auto policy:

- Policy activity in the last 6 months
- Total count of insured requested endorsements and reinstatements

314. EXCLUDED DRIVER(S)

- A. A request to exclude a driver may be submitted for reason(s) including but not limited to driver's that live in the same household and have separate policies, unacceptable drivers or non-licensed drivers that will not be operating insured vehicles. Married individuals (including domestic partners) must exclude their spouse, if not otherwise included on the policy.
- B. A fully completed and signed Named Driver Exclusion Form is required for each excluded driver.

315. YOUTHFUL DRIVER(S)

Youthful drivers are drivers under the age of 21. A Youthful Driver factor is applied to the policy based on the total number of youthful driver(s) on the policy.

316. TERM RENEWAL

The Term Renewal factor is based on the following characteristics of the auto policy:

- Policy term selected, 1, 3, 6, or 12 months
- Total count of renewal terms, new business will be considered as 0 renewal terms.

317. TENURE

Tenure is automatically applied when a policyholder has been insured with Bluefire. Tenure is determined based on the number of total months the named insured had coverage with a Bluefire affiliated company in the last 84 months.

318. TERRITORY/ZIP FACTORS

A. A factor is automatically applied to the policy based on the vehicle's garaging address. Territory Factor is determined based on the census block of the garaging address. Zip Factor is determined based on the zip code of the garaging address.

B. Territory Factor

If a census block is available for the vehicle garaging address, then the Territory Factor will be applied to the policy based on the census block of the garaging address. A Zip Factor will not be applied when a census block is found.

C. Zip Factor

If a census block is not available for the vehicle garaging address, then the Zip Factor will be applied to the policy based on the zip code of the garaging address. A Territory Factor will not be applied when a census block is not found. When vehicles are garaged outside of a standard ZIP code the risk is prohibited.

401. MILITARY DISCOUNT

A credit will be applied if the named insured or any driver on the policy is active duty in the military or a member of the national guard.

- Active duty service members must be in a duty status in accordance with 10 USC 101 (d)(2).

Required verification documentation: Attach orders assigning the service member to a duty station.

- National guard members must be a member of the Army National Guard or Air National Guard.

Required verification documentation: Attach a letter from the service member's commander on official unit letterhead verifying them as a member of the Army National Guard or Air National Guard.

402. CORE DISCOUNT

The Core Discount will be applied based on the following characteristics of the auto policy:

- Policy renewal status, based on at least 6 months of continuous coverage with Bluefire that has no more than 30 days' lapse, and the policy must be claims free (no at-fault-accidents) in the last 12 months. For 1 and 3 month policies, the renewal status will be reviewed upon the 6-month anniversary.
- Number of continuous months of prior insurance, at least 6 months of continuous prior insurance with no more than 30 days' lapse, and the policy must be claims free (no at-fault-accidents) in the last 12 months.
- Single or multi-car policy
- Homeownership status of the named insured
- Paid in Full, a policy is considered paid in full if the policyholder has chosen at the time of new business or prior to the next policy renewal effective date to pay the total policy premium in full with no unpaid balance. If the bill plan is switched from installment to lump sum mid-term, the policy will be considered paid in full upon the next policy renewal. If the bill plan is switched from lump sum to installment mid-term, the policy will no longer be considered paid in full upon the next policy renewal. This option only applies to policy terms 6-months or greater.

403. SMART SHOPPER DISCOUNT

A credit will be applied to policies based on the number of days in advance the policy was quoted and purchased from the policy effective date. This discount does not apply if the prior insurance policy is a Bluefire policy. This discount will continue to be applied at renewal if the discount was present at the inception of a policy or on a prior policy and that policy shows no late payments.

404. EFT/RCC DISCOUNT

A credit will be applied to policies that are setup for Electronic Funds Transfer (EFT) or Recurring Credit Card (RCC) payments. This credit will be removed if the policy opts out of EFT or RCC on the policy.

405. PAPERLESS DISCOUNT

A credit will be applied to policies that opt-in for paperless document delivery. This credit will be removed if the applicant/named insured(s) opts out of paperless document delivery on the policy.

406. INTRA-AGENCY DISCOUNT

A credit will be applied to policies that rollover into a new Bluefire policy, but remain with the same agency. The policy must have at least 6 months of continuous prior insurance with no more than 30 days' lapse with the same agency, and the policy must be claims free (no at-fault-accidents) in the last 12 months.

407. PROHIBITED SURCHARGE

- A. If a driver, vehicle or risk is deemed unacceptable during the policy term upon endorsement or other activity, the policy will temporarily remain inforce and a surcharge will be applied to the driver, vehicle or policy for continued coverage.
- B. The policy will be set up for non-renewal, if outside of the underwriting period, or cancellation, if within the underwriting period.

408. INEXPERIENCED OPERATOR

A surcharge will be applied to a driver who is 21 years or older and has been licensed for less than thirty-six (36) months. This surcharge does not apply to non-licensed drivers.

409. RESERVED FOR FUTURE USE

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501. NAMED NON-OWNER COVERAGE

- A.** Policies written for vehicles that are not owned by the named insured are Named Non-Owner policies. Named Non-Owner policies cover the permissive use of the non-owned vehicle under Part A – Liability, Part B1 – Medical Payments, and Part C – Uninsured Motorists.

- B.** Physical Damage coverage is not available for Named Non-Owner policies.

502. ADDITIONAL EQUIPMENT

- A.** Additional coverage may be purchased to extend physical damage coverage for vehicles that have installed additional equipment. Additional equipment includes non-factory installed equipment that must be attached to the vehicle and includes, but is not limited to, features like body enhancements, electronics and rims, wheels and tires. Photos and/or other supporting documentation of the additional equipment may be required. This applies to each vehicle that carries Comprehensive and Collision coverage.

- B.** This coverage does **not** cover conversion truck/van features, any body part designed to enhance the speed or performance of the vehicle, any device designed to evade detection of a motor vehicle violation, any item that does not meet the requirements of the state law, video monitors viewable by the driver, hydraulics, snow plows, or any equipment used for camping for residence.

- C.** Premium is determined based on a rate per \$100 of coverage, up to a maximum insured value of \$3,000. Determine value of the additional equipment, round to the nearest \$100.

503. SAFE DRIVER PROGRAM

- A. Bluefire offers a Safe Driver Program course, a preventative driving course that emphasizes good driving.
- B. A discount is applied to all vehicles when the named insured successfully completes the required course provided by Bluefire. Successful certificate of completion is required within 30 days of the policy effective date. If the course is not completed by the 30th day, the discount will be removed effective on the 31st day.
- C. The discount is effective for three years after successful completion of the approved course. By the end of this period, the driver must take another required course and provide a successful certificate of completion in order to continue receiving the discount. If this policy is cancelled and rewritten, the discount will no longer be applicable and a new course completion will be required to receive the discount.

600. FEES

A. Policy Fee

A policy fee is assessed on new, renewal, and rewritten policies.

B. Late Fee

A late fee may be assessed to any installment payment uploaded or postmarked after the due date.

C. NSF Fee

An NSF fee will be charged for any check/draft that is dishonored for insufficient funds, account closed or payment stopped (unless by Company request). This applies on bank, credit card or Electronic Funds Transfer (EFT).

D. SR-22 Fee

An SR-22 fee is charged on both new and renewal policies for any and all drivers required to file Financial Responsibility to the state.

E. Cancellation Fee

A cancellation fee will be charged for any policy that is cancelled due to an insured's request. This fee will be no greater than the equity on the policy to avoid outstanding, uncollected fees.

F. Reinstatement Fee

A reinstatement fee will be charged for any policy that has been cancelled for any reason and for which Bluefire is required to review for reinstatement.

G. Rewrite Fee

A rewrite fee is applied to policies that have been cancelled and are subsequently rewritten.

H. Installment Fee

An installment fee will be charged with every installment excluding the new business down payment. This fee applies for all pay plans except paid in full.

I. MVR Fee

An MVR fee may be charged on any policy when a full motor vehicle report is ordered. This applies to MVR orders made directly by Bluefire.

J. Motor Vehicle Crime Prevention Authority (MVCPA)

All auto policies providing primary liability coverages are subject to the Motor Vehicle Crime Prevention Authority Fee. This fee is fully earned and is charged on both new and renewal policies.

700. INDEX OF POLICY FORMS & ENDORSEMENTS

Form Number	Mandatory Form	Form Name
TX 01-PAP-003	X	Texas Personal Auto Policy
TX 01-IN-014	X	Important Notice
TX 01-NAF-013	X	Important Notice – Non-renewals for Not-At-Fault Accidents or Claims
TX 01-CBR-015	X	Consumer Bill of Rights
TX 01-ID-027	X	Texas Liability Insurance Card
TX 01-TEMP-043	X	Amendatory Endorsement
TX 01-UMCOV-011		Uninsured/Underinsured Motorists Coverage Form
TX 01-PIPCOV-023		Personal Injury Protection Coverage Form
TX 01-NDEXCL-012		Named Driver Exclusion
TX 01-ADDRVERIF-009		Address Verification Endorsement
TX 01-DED-026		Triple Deductible Endorsement
TX 01-DEDOPT-045		Triple Deductible Endorsement - Optional
TX 01-DD-042		Double Deductible Endorsement
TX 01-LPAY-018		Loss Payable Clause
TX 01-MARCERT-010		Marital Status Certification Endorsement
TX 01-NNO-020		Named Non-Owner Endorsement
TX 01-RR-016		Rental Reimbursement Coverage
TX 01-SR-019		Financial Responsibility Certification SR-22 Filings
TX 01-ADD-040		Accidental Death and Dismemberment Coverage
TX 01-MED-036		Medical Statement Form Endorsement