

NATIONAL  
GENERAL<sup>®</sup>  
an **Allstate**<sup>®</sup> company



CALIFORNIA

# Personal Auto

## Underwriting & Product Guide

*Revised: 02/25/2025*

Underwritten by: Integon National Insurance Company

## Table of Contents

General Information .....	1
Risk Acceptability .....	2
Coverages .....	9
Surcharges .....	14
Quote Information .....	15
Driver Information .....	19
Vehicle Information .....	22
Transaction Guidelines .....	25
Billing, Payments, and Fees .....	30
Document Retention and Review Requirements .....	34

## **General Information**

The Summit Program is only available to members of ClubDentPro. Membership can be purchased for \$36 per year pro rata.

### **Definition of Private Passenger Auto**

When used throughout this Rule Guide, the term “auto” means a car with at least four-wheels licensed and designed for use on public roads of the private passenger, pick-up, sedan, delivery, panel truck or utility type with a capacity of 1 ton or less, not used in a business or occupation other than farming or ranching of the insured or a relative.

### **Company Bulletins**

Company bulletins are an official communication of any updates that may occur to the underwriting manual and serve as an addendum to the manual. Keep any future bulletins together with this manual for reference.

### **Policy Jacket**

The Policy Jacket is provided to the insured with the Policy Issuance documents. Review the claims reporting procedures in the policy jacket with the insured. Should conflict arise between the Policy and the Rule Guide, the Policy is the controlling document.

## Risk Acceptability

The Company underwrites all business submitted. Final acceptability is determined after a complete review of the submitted information. Check all of the "Unacceptable Risk" sections for operators or vehicles that should not be submitted to National General. Since it is impossible to cover every aspect that might affect the acceptance of a risk, the Company remains the final authority in the acceptance or continuation of any risk.

**The unacceptable risk provisions do not apply when any driver on the policy qualifies as a Good Driver as defined in California Insurance Code section 1861.025 and the vehicles insured are private passenger auto type as defined in section 660 of the California Insurance Code.**

When the unacceptable vehicle rule is waived for a Proposition 103 California Good Driver policy, the following items are required to be submitted for approval prior to binding and issuing the policy:

- Completed application.
- Current California vehicle registration certificate showing the applicant or insured as the registered owner of the vehicle.
- Current Smog Certificate.
- Proof that the vehicle is in compliance with California Code of Regulations Section 2632.19(b)3.

## Unacceptable Drivers

The following drivers are ineligible for coverage:

- Drivers who are under the minimum state licensing age.
- Drivers with a currently revoked driver license that will not be reinstated with an SR-22 filing.
- Drivers with a felony conviction involving the use of an automobile — until they qualify for a Good Driver policy.
- Drivers with more than two principally at-fault accidents in the past 36 months.
- Drivers who have more than thirty points.
- Former policyholders who have coverage canceled and rewritten more than twice in the past 36 months — unless policy is prepaid.
- Former policyholders who have an unpaid balance due — unless the balance due is submitted in addition to the required down payment.
- Drivers with a permanently revoked or canceled driver license — unless that driver is excluded from coverage.
- Drivers who have been convicted of insurance fraud.
- Named insured who is under 18 years of age — unless parent or guardian signature accompanies the insured's signature on all areas of the application.
- Drivers who have been convicted of vehicular manslaughter, criminal negligence, or negligent homicide.

## Unacceptable Vehicles

The following vehicles are not eligible for coverage:

- Vehicles garaged outside California.
- Vehicles from more than one household. (Exception: College students and active-duty military. A temporary additional garaging address for a student or military member is acceptable if all other household vehicles are garaged in California and insured by National General.
- Vehicles not registered in the United States.
- Flatbed trucks, stake trucks, and modified bed trucks.
- Step vans, panel vans, and cut-away vans.
- Aluminum and stainless-steel cars.
- Antique vehicles.
- Obsolete or other vehicles with an inflated value.
- Custom, rebuilt, altered, and modified vehicles (including vehicles with lift kits over 6 inches and low riders under 3 inches); specially built vehicles (including kit cars and dune buggies/Baja buggies); and off-road vehicles (does not include vehicles altered to accommodate people with physical impairments).
- Commercial and emergency vehicles.
- Taxis, rental cars, and any vehicle for hire.
- Vehicles equipped with cooking equipment or a bathroom.
- Motorhomes, travel trailers, or any vehicle that is towed (does not include utility type trailers that are automatically covered for liability).
- Vehicles not registered to an insured — unless leased under a long-term lease contract (six months or more) from a leasing company.
- Vehicles with a load capacity greater than 1 ton.
- Vehicles manufactured by Daewoo.
- Gray market vehicles (i.e., those imported into the United States that were not originally manufactured for distribution or sale in this country).
- Experimental vehicles.
- Vehicles with a current value greater than \$70,000.
- Vehicles that require over \$5,000 additional custom equipment coverage
- Dump trucks, tow trucks, and wreckers.
- Vehicles used or equipped for use in speed contests or racing; other 'hot rod' vehicles.
- Vehicles used for deliveries (including, but not limited to, delivering pizza, magazines, newspapers, (paper delivery) etc.); and vehicles used for Uber services.
- Vehicles used for courier services.
- Vehicles owned or leased by a corporation, partnership, or other business.
- Vehicles leased or rented to other drivers by the named insured.
- Vehicles regularly available to drivers who are not listed on the policy.
- Vehicles available to multiple drivers (e.g., for sales, farming, etc.)
- Customized vehicles in which the value of the customization exceeds 50% of the current value of the vehicle without customization.

### Unacceptable Vehicles Continued

- Commercial vehicles.
- Farm class vehicles.
- Vehicles over 30 years of age — unless the market value exceeds \$2,500.
- Vehicles with a junk title, dismantled title, fire damage title, flood damage title, hail damage title, or with title that has been 'washed' or altered.
- Vehicles with more or less than four wheels.  
**Exception:** Dually pickup truck.
- Vehicles that are not roadworthy.
- Vehicles that are not registered for street use.
- Vehicles used to transport nursery or school children, migrant workers, hotel/motel guests, or patients.
- Vehicles used in a van/carpool.
- Vehicles used for an escort service.
- Vehicles that transport explosives, chemicals, radioactive materials, or flammable substances.
- Vehicles with an incomplete chassis.
- Conversion vans requiring Comprehensive and Collision coverages.

**Unacceptable Vehicles Continued**

- Any make/model vehicle listed below:

	Model	Make	Model
American General	H1	Karma	All Models
ARO	All Models	Lada	All Models
Aston Martin	All Models	Laforza	PSV-L4
Audi	R8	Lamborghini	All Models
Avanti	All Models	Lexus	LF-A
Bentley	All Models	Lotus	Elan, Esprit
BMW	Z8	Maserati	28, 425, 430, Biturbo, Coupe GT, Gransport, Spyder
Bricklin	All Models	Maybach	All Models
Bugatti	All Models	McClaren	All Models
Cadillac	All Hearses and Limousines	Mercedes	B F-CELL, SL600, SL63 AMG, SL65 AMG, SLR, SLSAMG, Maybach
Callaway	C12	Morgan	All Models
Checker	All Models	Mosler	All Models
Chevrolet	Lingenfelter, Hammer, and Mallet Corvettes; Grumman	Nissan	All Stillen Models
Chrysler	All Limousines	Panoz	All Models
Delorean	All Models	Pantera	All Models
Dinan	All Models	Pontiac	Lingenfelter Trans Am
Dodge	Shelby Durango	Porsche	All Ruf Models, Carrera GT, 911 GT2, 911 GT3, 918 Spyder
Elio	All Models	Rolls Royce	All Models
Ferrari	All Models	Roush	All Roush Mustangs
Ford	All Saleen Mustangs, Ford GT, Think	Ruf	All Models
GEM	All Models	Saleen	All Models
GM EV1	All Models	Shelby	Cobras and Series 1
Hennessey	All Viper Models	Smart Cars	All Models (except Fortwo)
Honda	EV, FCX, FCX Clarity	Spyker	All Models
Hummer/American General	H1, Humvee	Toyota	All HKS Enhanced Supra Turbos, Mirai
Jaguar	XJL	Vector	All Models
Jensen	All Models		



## **Vehicles Unacceptable for Physical Damage Coverage**

When a vehicle is classified as unacceptable and the policy qualifies as a Good Driver policy, a completed inspection form is required to write physical damage coverage. The following vehicles are unacceptable for physical damage coverage:

- Vehicles with over \$5,000 in additional/custom equipment.
- Vehicles with a cost new greater than \$70,000.
- Vehicles on a police report that indicates the vehicle was severely damaged in an accident (damage cannot exceed deductible).
- Vehicles declared a total loss by an insurance company.
- Vehicles used as a crash test vehicle.
- Vehicles listed in recycler inventory.
- Vehicles with a previous airbag deployment.
- Vehicles with a failed frame mechanical inspection.
- Vehicles reported as stolen and not recovered.
- Vehicles with a salvage title.

## **Unacceptable Vehicle Usage**

- Vehicles used for any of the following are unacceptable:
- Vehicles used for pick up or delivery of any type (including mail/parcel post, messenger or courier service, newspaper, Uber drivers, etc.).
- Vehicles used for emergency or law enforcement.
- Vehicles used for any public or private livery transportation (e.g., limousines, taxis, buses, vanpools).
- Vehicles used to transport nursery or school children.
- Vehicles used for short-term rentals.
- Vehicles used for snowplowing for hire.
- Vehicles used in racing, any type of speed or drag contest, or any stunting activity.
- Vehicles used as a residence.
- Vehicles leased or rented to other drivers by the applicant.
- Vehicles available for use by drivers not listed on the policy.
- Pickup trucks and vans with a load capacity greater than 1 ton.
- Vehicles registered to the insured's business or employer.

## Coverages

The system will automatically display available coverage limits.

### Liability

#### **Bodily Injury/Property Damage**

- Limits are required to be the same for all vehicles on a policy.
- 15/30/5, 15/30/10, 25/50/25, 50/100/50, and 100/300/100 are the only limits available.
- Property Damage limits cannot exceed the per occurrence limit for Bodily Injury coverage.

#### **Medical Payments**

- Limits are required to be the same for all vehicles on a policy.
- Limits are per person per accident.
- Available limit is 1,000.

### Uninsured/Underinsured

#### **Uninsured Motorist/Underinsured Motorist (UM/UIM) Bodily Injury**

- Required on all motorized vehicles with Bodily Injury coverage — unless rejected in writing.
- Limits cannot exceed Bodily Injury limits.
- Limits are required to be the same for all vehicles on a policy and apply to all vehicles on the policy.
- 15/30, 25/50, 50/100, and 100/300 are the only limits available.

#### **Uninsured Motorist Property Damage**

- 3,500 is the only limit available.

### Physical Damage

#### **Comprehensive/Collision**

- Different deductibles are allowed.
- Comprehensive deductible may not exceed Collision deductible.
- Physical damage only policies are not available.
- Physical damage coverage does not have to be selected for each vehicle on a multi-vehicle policy.
- Collision coverage requires Comprehensive coverage on the policy.
- Available deductibles include \$500, \$1,000, \$2,500, and \$5,000.

#### **Named Driver and Named Auto Endorsement**

- Coverage is only provided to the named insured and rated drivers listed on the Declarations Page. When a driver who is not listed on the Declarations Page is driving an insured vehicle, Comprehensive and Collision coverages are not provided.
- There is no coverage when driving a vehicle that is not listed on the policy (with permission or otherwise) — including rental cars. For example, if the insured borrows a vehicle, or rents a vehicle, or gets a loaner from a dealership, there is no coverage on that vehicle.

## Direct Repair Program

The repair facilities under this program have been inspected by the Claims Department and meet strict requirements needed for repairing today's advanced vehicles. In the event of a loss, the Claims Department will recommend the insured to the nearest DRP facility. A network of repair facilities has been set up throughout the state of California for the insured's convenience. The insured will only have to pay the deductible to the DRP facility.

If it is determined that the damaged property is to be repaired and the insured chooses to utilize a repair facility which is not an appointed DRP facility, eighty percent (80%) of the fair and reasonable repair charges from that repair facility will be paid. The deductible will be applied after the Company has computed the payment. The insured will be responsible to the body shop for the deductible.

To access a list of our DRP Facilities, go to [nationalgeneral.com](http://nationalgeneral.com).

## Rental Reimbursement

Rental Reimbursement Coverage reimburses the insured for the lesser of actual daily rental charges or the purchased limit option for a maximum of 30 days for each qualified disablement on a covered vehicle.

Qualified disablement means a loss covered by the liability, Other than Collision (Comprehensive), or Collision coverage sections of the policy.

- Comprehensive and Collision coverages are required on the vehicle.
- Mileage charges are not covered.
- Available limits include 20/600 and 30/900.

## Double Deductible

If a loss occurs within the first 60 days after the new business, reinstatement, or renewal reinstatement with a lapse effective date, the deductible shown on the Declarations Page will be doubled. After 60 days, the deductible shown on the Declarations Page will apply.

### Example:

- The Declarations Page shows \$500 deductible with Double Deductible endorsement. If a claim occurs within 60 days of the new business, reinstatement, or renewal reinstatement with a lapse effective date, then \$1,000 deductible will be applied.
- If a claim occurs more than 60 days after the new business, reinstatement, or renewal reinstatement with a lapse effective date, then \$500 deductible will be applied.

The Double Deductible endorsement can be removed for any vehicle on the policy. However, if it is removed during the first 60 days after the new business, reinstatement, or renewal reinstatement with a lapse effective date, a premium increase will occur.

## Club DentPro

Club DentPro provides painless dent removal that preserves that factory fresh look — using the fastest, easiest, and most cost-effective way to remove dings and dents. With Club DentPro, insureds receive:

- 25% discount on the removal of dents, dings, and creases — up to four inches.  
**Note:** Covered areas on the vehicle include doors, fenders, quarter panels, hood, trunk, and roof.
- 40% discount on windshield repair — up to two-inch diameter, two-inch length, or star crack when caused while driving on a paved surface.

The Club DentPro Membership fee is \$36 for 12-month term and \$18 for 6-month term.

## **National Roadside and Towing Services**

The National Roadside and Towing Services roadside program is optional and is provided by National General. Fees are \$8 per month.

The insured is required to directly call National Roadside and Towing Services for 24-hour roadside and towing services. (The insured does not call their preferred tow company and send a receipt for reimbursement.)

At point of sale, advise the customer to directly call National Roadside and Towing Services at 855-327-1704 for 24-hour roadside and towing services. If an insured calls asking for roadside and towing services, instruct them to directly call National Roadside and Towing Services at 855-327-1704. (This number is NOT for customer service.)

**Note:** Coverage may only be added at new business, renewal, or with an endorsement to add a vehicle or replace a vehicle. Coverage may not be added as a midterm coverage endorsement.

## Discounts

The system will automatically request proof documentation required to retain discount. If acceptable proof of eligibility for discounts is not available when the application is completed, quote the policy, and collect the down payment based on the undiscounted premium.

Supporting documentation for any discount is required to be maintained in the agency office and be available upon request.

## Good Driver

Good Driver Discount applies to all coverages and applies if the driver meets the following criteria:

- Has been licensed to drive a motor vehicle for the previous 3 years.
- During the previous 3 years, has none of following:
  - More than one violation point count determined as provided by subdivision (a), (b), (c), (d), (e), (g), or (h) of Section 12810 of the Vehicle Code, but subject to the following modifications:
    - For the purposes of this section, the driver of a motor vehicle involved in an accident for which he or she was principally at fault that resulted only in damage to property shall receive one violation point count, in addition to any other violation points that may be imposed for this accident.
    - If, under Section 488 or 488.5, an insurer is prohibited from increasing the premium on a policy on account of a violation, that violation shall not be included in determining the point count of the person.
    - If a violation is required to be reported under Section 1816 of the Vehicle Code, or under Section 784 of the Welfare and Institutions Code, or any other provision requiring the reporting of a violation by a minor, the violation shall be included for the purposes of this section in determining the point count in the same manner as is applicable to adult violations.
  - Had more than one dismissal pursuant to Section 1803.5 of the Vehicle Code that was not made confidential pursuant to Section 1808.7 of the Vehicle Code, in the 36-month period for violations that would have resulted in the imposition of more than one violation point count under section 12810 of vehicle code if the complaint had not been dismissed.
  - Was the driver of a motor vehicle involved in an accident that resulted in bodily injury or in the death of any person and was principally at fault as per California Code of Regulation 2632.13.
  - During the period commencing on January 1, 1999, or the date 10 years prior to the date of application for the issuance or renewal of the Good Driver Discount policy, whichever is later, and ending on the date of the application for the issuance or renewal of the Good Driver Discount policy, he or she has not been convicted of a violation of Section 23140, 23152, or 23153 of the Vehicle Code, a felony violation of Section 23550 or 23566, or former Section 23175 or, as those sections read on January 1, 1999, of the Vehicle Code, or a violation of Section 191.5 or subdivision (a) of Section 192.5 of the Penal Code.
- Any person who claims that he or she meets the criteria of (a), (b), and (c) based entirely or partially on a driver's license and driving experience acquired anywhere other than in the United States or Canada is rebuttably presumed to be qualified to purchase a Good Driver Discount policy if he or she has been licensed to drive in the United States or Canada for at least the previous 18 months and meets the criteria of subdivisions (a), (b), and (c) for that period. National General is required to be able to verify an active United States driver's license via company access to a DMV Motor Vehicle Report (MVR) or a copy of a valid and active foreign driver's license is required to be submitted to the Company to fulfill the license requirement of this section.

### **Mature Driver**

A discount on all coverages will be given to insured's age 55 or older that successfully complete a Mature Driver Improvement course approved by the Department of Motor Vehicles. The discount does not apply or may be discontinued if the insured:

- Has a chargeable accident during the three years following the course completion date.
- Took the course pursuant to a court order.

The insured's eligibility for the premium reduction is 3 years from the date of the completion of the course. The course is required to be taken every 3 years to continue eligibility for the insurance discount.

### **Multi-Car**

Applies when two or more vehicles are registered to the named insured as an individual and covered on the same policy. The multiple car discount does not apply to trailers and trailers are not counted when determining if other vehicles are eligible for the discount.

### **Persistency**

Available for Integon National Insurance Company renewal policies that have continuous automobile liability insurance coverage for the previous 12 months or longer — with no claims or late payments or no more than one alcohol or drug related violation.

## Surcharges

### Business Use/Artisan Use

A surcharge will be applied to all coverages for vehicles which meet the business/artisan use criteria.

#### Business Use:

Private passenger vehicles registered to the applicant and used in his or her business/ occupation, or vehicles registered to the insured's business or employer, or with the insured's business or employer named as an additional insured.

All Artisan or Business use vehicles require two pictures and a copy of the registration.

Acceptable Business use includes, but is not limited to:

- Vehicles used by sales or service representatives.
- Vehicles used by real estate or insurance producers, lawyers, doctors, accountants, or other professionals visiting multiple locations.
- Vehicles used in a business for occasional errands.

Unacceptable business use includes, but is not limited to:

- Pickup or delivery of goods (including, but not limited to newspapers, pizza, or other food items).
- Vehicles used as a limousine, taxi service, livery conveyance, or emergency vehicle.
- Vehicles used for the transportation of nursery or school children, workers, or hotel/motel guests.
- Vehicles with a load capacity of one ton or greater.

#### Artisan Use

Private passenger vehicles registered to the applicant and used in his or her business/ occupation, or vehicles registered to the insured's business or employer, or with the insured's business or employer named as an additional insured.

Acceptable Artisan occupations usages include carpenter, plumber, repairman that are principally parked at a job location for the majority of the workday. Vehicles used to transport tools or other materials from the insured in a trade or business are acceptable provided:

The total number of utility vehicles (pickups and vans) cannot exceed the number of resident relatives who are artisan contractors.

- The vehicle is operated solely by the named insured and family members listed.
- The vehicle cannot be used to transport flammable liquids, chemicals, or explosive materials.
- The vehicle may have a toolbox, a rack (for ladders, pipe or building materials), or a tool rack (tools and equipment are not covered).
- The vehicle is not used to pick up goods or deliver property. Vehicles may be used to carry up to 500 pounds of non-finished goods and materials relating to the work to be performed.
- The vehicle is used to visit no more than 5 sites per day within a 50-mile radius.
- The vehicle may have signage, which indicates the insured's name and type of service (i.e., "Joe's house Cleaning")

A variety of competitive low down payment options are available.



## Quote Information

### Accidents and Violations

#### Experience Period

The experience period for both new and renewal business is 36 months or less prior to the policy effective date. The conviction date is used for violations and the occurrence date is used for accidents.

Using the driving records of individual drivers during the experience period, the rater will determine point charges from the Point Assignment Table. If more than one point charge results from a single incident, enter all accidents and violations from the incident in the rating software. The rater will automatically use the highest point charge. Violations charged for by the DMV will be charged for under this program. In determining violations counted, use the California Vehicle Code Violations used in the Negligent Operator Count list published by the California Department of Motor Vehicles as the guideline.

#### Accident Threshold

Threshold	Amount
Property Damage	\$1,001.00
Injury	\$0.00
Comprehensive	\$1,001.00
Non-Threshold Incidents	\$1.00
Negligence Percent	51%

Count all moving violations and chargeable accidents for the past three-year experience period received while operating a private passenger automobile, motorcycle, or commercial vehicle. Use the conviction date for violations appearing on the driving record. For multiple point count charges arising out of one occurrence use only the highest charge involved.

Points are surcharged based on the following point count configuration:

<b>MINOR VIOLATION</b>	<b>1 POINT</b>
<b>INTERMEDIATE VIOLATIONS</b>	2 Points
<b>FIRST DUI (PRIOR CHARGEABLE INCIDENTS)</b>	2 Points
<b>FIRST DUI (NO PRIOR CHARGEABLE INCIDENTS, LESS THAN OR EQUAL TO 25 YEARS OF AGE)</b>	2 Points
<b>FIRST DUI (NO PRIOR CHARGEABLE INCIDENTS, GREATER THAN 25 YEARS OF AGE)</b>	0 Points
<b>SECOND DUI (NO PRIOR CHARGEABLE INCIDENTS)</b>	4 Points
<b>SECOND DUI (PRIOR CHARGEABLE INCIDENTS)</b>	4 Points
<b>FIRST MAJOR VIOLATION</b>	2 Points
<b>SECOND AND SUBSEQUENT MAJOR VIOLATIONS</b>	4 Points
<b>FIRST CHARGEABLE ACCIDENT</b>	4 Points
<b>SECOND AND SUBSEQUENT CHARGEABLE ACCIDENTS</b>	5 Points

## Chargeable Accidents

An accident is chargeable if the occurrence resulted in liability (BI/PD or death) or collision damage (paid, outstanding, or deemed to be responsible) exceeding \$1,000 for accidents occurring on or after December 11, 2011, arising out of ownership, use or operation of an automobile, other than “not at fault”. At-Fault Accident for the purpose of assigning violation/accident surcharge points means an accident where the driver involved in the accident was at least 51% of the proximate cause of the accident and meets the minimum dollar threshold amount.

An accident is not chargeable if:

- The vehicle was lawfully parked (if the parked vehicle rolls from the parked position, then any such accident is charged to the person who parked the auto).
- The vehicle was struck in the rear while legally stopped for traffic and the applicant or other resident operator has not been convicted of a moving traffic violation in connection with this accident.
- The vehicle collided with a bird or animal, except for accidents involving hitting another vehicle or object because of swerving to avoid a bird or animal. (These are at fault.)
- The vehicle was involved with a hit-an-run driver, and the report was made to proper authorities within 24 hours by the applicant or resident operator.
- An accident in which reimbursement was obtained from another party, providing the company makes no liability payment on behalf of the insured. Requires verification by the previous carrier. (One-car accidents shall be considered “at-fault.”)
- Applicant, owner, or resident operator engaged in an accident, which was:
  - Determined to be less than 51% negligent.
  - Reimbursed for 51% or more of damages by or on behalf of the person involved in accident.
- An accident occurring while using the vehicle in response to a call such as a fire, safety, or law enforcement person.
- An accident involving physical damage, limited to, and caused by flying gravel, missiles, or falling objects.
- Accident was a solo vehicle accident that was principally caused by a hazardous condition of which a driver, in the exercise of reasonable care would not have noticed (for example, “black ice”) or in the exercise of reasonable care could not have avoided (for example, avoiding a child running into the street).

In determining a driver(s) accident history, if no evidence of the driver(s) fault exists, a driver(s) declaration, under penalty of perjury, attesting to such history, will be accepted. However, the Company reserves the right to question the driver(s) on said declaration. The driver(s) shall provide the Company with any requested information if it is reasonably available including, but not limited to the following:

- A police report indicating less than 51% responsibility.
- A letter from the claims department.
- A copy of a claims draft payable to the insured.
- A signed letter stating that they were not at-fault and there is no other evidence (such as a A-PLUS Report) that the accident was the insured’s fault.

Any false or misleading statements made by the driver(s) in the declaration may result in the voiding of the policy for material misrepresentation, uprating the policy to reflect the correct premium, or prosecution for perjury under California State Law.

DRIVING UNDER THE INFLUENCE OF ALCOHOL	
OPEN CONTAINER	Drunk driving
ALL OTHER ALCOHOL-RELATED VIOLATIONS	Refusal of alcohol test (Implied consent law)
DRIVING UNDER THE INFLUENCE OF ALCOHOL	
MAJOR VIOLATIONS	
HIT AND RUN	Unlawful use of driver license
RECKLESS DRIVING	Driving wrong way upon on-ramp (21664)
SPEED CONTEST	Failure to yield to approaching vehicles (21801 A&B)
EXHIBITION OF SPEED (OTHER THAN NORMAL SPEEDING)	Unsafe turn (22107)
ELUDING A POLICE OFFICER	Any felony involving a motor vehicle
VIOLATION OF ANTI-THEFT LAWS	All drug-related violations
OPERATE VEHICLE WITHOUT CONSENT	Negligent driving (22517)
CARELESS DRIVING (23128B)	Wireless without handsfree or texting while driving (23123, 23123.5)
INTERMEDIATE VIOLATIONS	
DEFECTIVE EQUIPMENT	Failure to have vehicle under control
DRIVING WHILE LICENSE SUSPENDED/RESTRICTED	Improper lane change
CELL PHONE USAGE VIOLATIONS	
MINOR VIOLATIONS	
ONE WAY STREET OR HIGHWAY	Stop violations
SPEED	Failure to operate equipment
ALL OTHER MINOR MOVING VIOLATIONS	

## Convictions

Refer to the driving record of the principal and each additional operator to determine the convictions of each operator. For this purpose, use the California Department of Motor Vehicles public record of traffic violations. Out-of-state convictions count the same as in-state convictions, provided the violation would have resulted in a point assignment, had it occurred in California. There is no cap on the number of minor convictions allowed for eligibility purposes.

Minor violations occurring while driving an employer's vehicle for compensation may not be chargeable and should be identified on the application. This exception does not apply to major violations or accidents. A letter on letterhead from the employer, signed by the owner or manager, or the employee's written declaration, per CIC 488, is required in order to not charge for employment related minor violations.

However, charges for the following violations cannot be waived:

- Subdivision (a) of Section 14601.
- Subdivision (a) of Section 14601.1.
- Subdivision (a) of Section 14601.2.
- Section 20001 or 20002.
- Subdivision (a) of Section 20008.
- Sections 23103, 23104, 23152, or 23153.

### **Multiple Occurrences 3 Points**

Any driver who has three or more separate chargeable occurrences on his/her driving record in the past three-year experience period is charged three points, in addition to the points charged for the violations and/or accidents. The occurrences can be chargeable accidents, chargeable violations, or any combination of both.

### **Dismissals Traffic Safety School**

The state masks the first Traffic School dismissal. Subsequent citations within 18 months will show on the MVR, even if the driver attends class again. Dismissed violations, which appear on the MVR will be included in the total point count.

### **Same Day Offenses**

If multiple violations occur on the same incident and date, only the violation with the highest point count will be charged. (Multiple violations in different incidents will be charged on the same date.)

## Driver Information

### Driver License Status and Types

#### Revoked/Suspended, Canceled License

- Drivers with a temporarily revoked, suspended, or canceled driver license at any time during the chargeable violation period will be considered for rating.
- Drivers with a foreign driver license will be considered for rating.
- Note: Matrícula Consular Cards are valid proof of foreign driving experience.
- Drivers with an expired driver license will be considered for rating as long as National General can obtain the Motor Vehicle Report.
- Drivers with a permanently revoked driver license are not an acceptable risk. The driver is required to be excluded for us to accept other household members on the policy.
- All license statuses are required to be verified using Motor Vehicle reports except the foreign driver license.
- A driver with a California State ID will be accepted as long as it is verified via Motor Vehicle Report. These drivers are not eligible for a financial responsibility filing. All drivers with a California ID but without a license will be rated using zero years of United States driving experience.

#### Learner Permit

- All permit drivers are required to be rated or specifically excluded from coverage by completing the Request to Exclude a Named Driver section of the application or the Exclusion of Named Driver Endorsement form.
- Drivers with a learner permit will be rated with zero years licensed.

#### SR-22 Filings

An SR-22 filing fee per filing will apply to each term in which a filing is maintained. The fee is fully earned in the event of cancellation. Each individual requiring a filing will be charged a fee. A policy with an SR-22 is required to include Bodily Injury coverage. All vehicles owned by the driver requiring the filings are required to be listed on the policy. National General files an SR-22 form with the state to confirm liability coverage for a specified driver. The name on the filing is required to appear exactly as it reads on the driver license. Filings are not available for a driver with an unverifiable driving record or license status equal to Not/Never licensed or for international drivers. Filings are only provided for California. Drivers requiring an SR-22 filing cannot be excluded.

**Note:** Storage Protection is not available when there is a driver on the policy who requires an SR-22. All vehicles listed on the policy are required to retain liability coverage.

### Driver Eligibility

The policy is required to cover at least one named insured who is a rated driver. The named insured includes the person listed as the named insured and the spouse, if residing in the same household. Corporations, partnerships, estates, and receiverships are not acceptable as a named insured.

The named insured or spouse is required to have a valid United States or foreign driver license.

**Note:** An official government issued Matrícula Consular identification card is acceptable proof of a foreign driver experience. Retain the document(s) in the customer file.

Operators are required to meet all underwriting guidelines and permanently reside and garage all vehicles in the same state. Non-excluded operators may not live or work in Mexico. Failure to report all operators or household members 14 years of age and older may constitute material misrepresentation of risk.

All residents in the household who are at least 14 years of age (whether licensed or not) **or** anyone who regularly drives any vehicle listed on the policy (defined as at least 10% of that vehicle's usage) are required to be classified in one of the following categories:

## Rated

At least one named insured or spouse is required to be a rated driver. All rated drivers are evaluated in the various rate calculations.

Rated drivers include:

- Any **household** member who has a driver license or learner permit **or** who is 17 years of age.
 

**Note:** When a listed driver turns 17 years of age, that driver is required to become a rated driver (unless in another Driver Status category) as of the effective date of the next renewal term — whether a driver license or learner permit is obtained or not.
- Any **non-household** member who regularly drives any of the vehicles on a policy at least 10% of the vehicle's usage.
- Any driver requiring an SR-22 filing.

## Excluded

National General will exclude any driver from a policy other than the named insured — provided a completed and signed Driver Exclusion form is received.

**Exception:** Individuals requiring a Financial Responsibility filing.

A driver who has a permanently revoked driver license is an unacceptable risk — unless that driver is excluded.

## Driver Exclusion Endorsements

An endorsement excluding coverage while a named individual operates an insured motor vehicle is permitted. The exclusion will apply to the current term and all renewals. It will only be superseded by an endorsement request to add the excluded person to the policy as a driver.

- For new business policies, the named insured is required to sign the Request to Exclude a Named Driver section of the application.
- To exclude specific individuals for in-force policies, complete and retain the signed driver exclusion form, showing the effective date of the change and observing proper rules. An amended declarations page will be issued. The endorsement will only be superseded by a request to add the excluded person to the policy as a driver.
- Additional Interests may be excluded. Make the applicant aware that the Additional Interest has no coverage if driving the vehicle. Integon National Insurance Company will not pay for any claim arising from an accident or loss which occurs while any vehicle is being driven, either with or without the named insured's permission, by an excluded driver.

**Named Non-Owner Policy**

A named non-owner policy provides liability coverage for individuals who do not own a vehicle and who do not have regular or frequent access to any vehicle for personal use. The rating territory is based on the named insured's resident ZIP Code — which cannot be out of state. This coverage is in excess of any other coverage.

- Coverage only applies to non-owned vehicles that are not available for regular use.
- Coverage does not extend to other household members or other permissive drivers.
- Vehicles cannot be listed on the policy.
- Only liability coverage is available.
- Bodily Injury and Property Damage coverages are required.
- Physical damage coverage is not available.
- Financial Responsibility filings are acceptable.
- Business Use or Artisan Use is not acceptable.
- Discounts and surcharges are applicable.

## Vehicle and Driver Assignment

Policy premium is determined by assigning the highest rated driver to the highest rated vehicle, second highest rated driver to second highest rated vehicle, etc.

Highest rated driver refers to the driver whose years driving experience, sex, marital status, and points develop the highest premium. If there are more vehicles than drivers, rate each additional vehicle with the 'excess vehicle' factors for variables related to the driver. Years driving experience is the number of years which an operator has been licensed to drive in any jurisdiction. All California licensed operators with less than three (3) years of California MVR experience can provide an out of state MVR or a copy of a Foreign Driver's license which will account for a total of 3 years or more of verifiable MVR experience.

## Driver Marital Status

An operator who is a legally married person. The definition of "married" excludes common law marriages.

**Permanent Domestic Partner (PDP):** If a driver is listed as a registered domestic partner, the partner of the same gender is required to be listed on the policy. Domestic Partners must share a common official residence. No more than two operators are allowed to be rated as Domestic Partners on a policy. Dependent children and relatives are not eligible. Acceptable proof includes one of the following: a Domestic Partnership certificate or signed Domestic Partner affidavit.

## Vehicle Information

### Eligible Vehicles

Eligible vehicles include private passenger automobiles, pickup truck, vans, and utility vehicles as defined in California Insurance Code 660.

### Prior Damage/Vehicle Inspection

Vehicles with acceptable existing damage may be written only after the broker has inspected the vehicle. Photographs and a complete description are required to accompany the application. Vehicles with damage that may affect their safety and/or roadworthiness are unacceptable.

A vehicle inspection — including photos of the vehicle — is not mandatory. If National General discovers a vehicle has existing damage, the agent will be notified to take photos of the vehicle. In this case, the agent should obtain five photos (one from each corner of the vehicle and the sticker inside the door showing the vehicle identification number). Retain the photos of the vehicle in the file with the application documents — **unless** otherwise instructed to furnish the photos to National General.

### Vehicle Symbols

The rater automatically assigns vehicle symbols for eligible vehicles. If a vehicle does not appear on the list and is otherwise eligible for coverage, call the Underwriting Service Team for assistance. Coverage for Additional/Custom Equipment is not considered in the symbol assignment and is not afforded unless it is declared on the application and a premium is paid. Refer to the Coverage & Claims\_section of this manual for details.

The Company's system uses the Vehicle Identification Number (VIN) to verify vehicle and symbol. If the VIN on the application is incomplete or incorrect, it may result in delayed processing, incorrect rating, or cancellation for unacceptability.

### New Model Vehicles

When the symbol is not available, use the previous year's symbol.



## Annual Mileage

Annual Mileage is one of the primary rating factors. As such, it should be determined by the applicant/insured based on their best estimate. The broker should collaborate with the applicant or insured in developing this determination. In a case where an application or request to add a vehicle is submitted without the annual estimated mileage and a response is not received from the applicant/insured, 12,000 annual miles is used. The annual mileage used can be updated at any time notification is received from the insured of a new estimated annual mileage.

During the new business application process, applicants are required to provide the estimated annual mileage for each vehicle to be insured on the policy. If the applicant's estimated annual mileage is less than 6,000 miles for any vehicle on the application, the applicant may be required to provide the following information as permitted by California Code of Regulations T. 10 § 2632.5 (c)(2)(C).

- The location of the workplace, school, or other destination where the vehicle is driven and, if applicable, an estimate of the number of miles the vehicle will be driven in the course of employment.
- The number of days per week the vehicle is used for commuting.
- An estimate of the number of miles to be driven for pleasure or other purposes.
- The approximate total number of miles driven for any period within, but not to exceed, the previous 24 months.
- The reason for any differences between the estimate for the upcoming 12 months and the miles driven the previous 12 months.
- The current odometer reading of the vehicle to be insured. A picture of the odometer is acceptable in this situation.

Additionally, the applicant may also be requested to provide the following information:

- Service records which document the odometer reading of the vehicle to be insured.
- The use of technological devices provided by the insured or otherwise made available to the insured that accurately collect vehicle mileage information.

The applicant will also be notified prior to the effective date that National General may retroactively adjust premiums based on actual annual miles driven if those actual miles differ from their estimated mileage.

A form will be provided to the applicant during the application process. The purpose of the form is to obtain the current odometer reading and annual estimated mileage for each vehicle on the application with annual estimated miles less than 6,000 miles.

Additionally, the form will disclose that National General may charge retroactive premiums if the actual annual mileage differs from the estimated annual miles given on the application. The applicant will be allowed 30 days from policy inception to return the form to National General or to the applicant's producer. If the applicant fails to complete the form and return the required information for any vehicle, then the default mileage assumption of 12,000 miles will be assigned to that vehicle. If the form is returned with information that does not support the estimated annual mileage on the application, a reasonable objective mileage estimate will be developed based on the information provided and that estimate will be used to rate the policy.

Customers will be required annually to update the mileage estimates. If no response is received, the response will be assumed to be the default 12,000. However, in this case the revised estimate will not be increased by greater than 1,000 miles per renewal.

## Vehicle Usage

### Pleasure/Commute

Means personal use with weekly mileage total.

Vehicles not used for business/commercial purposes; vehicles used to commute back and forth to work or school; vehicles used primarily on a farm, ranch, or orchard.

### Business/Artisan

Business and/or Artisan usage are acceptable in this program.

## Geographic Zones

The rater automatically assigns geographic zones based on the garaging zip code. If the insured uses a post office box as a mailing address, the physical garaging address of each vehicle, including zip code, is required to also be provided.

### Geographic Zone Rules for Military Personnel

Active military and spouses may provide an out of state driver's license and the military identification.

## Garaging Location

Each vehicle will be rated based on ZIP Code in which the vehicle is primarily garaged. Post Office Box ZIP Codes cannot be used for rating. The garaging street address and ZIP Code is required to be given for all Post Office Box mailing addresses.

For vehicles primarily garaged at the named insured's primary or secondary residence, at least one vehicle is required to be garaged at the same location a minimum of ten months of the year.

The following are exceptions to the same location rule:

- Students away from home at school with a vehicle titled in the insured's name.
- Members of the United States military who are stationed out of state.
- Vehicle is garaged out of state and the territory code for that garaging location ZIP Code is an acceptable territory. Any vehicle garaged out of state with an unacceptable territory code is unacceptable.

**Note:** Unacceptable states are District of Columbia, Hawaii, Massachusetts, Michigan, New Jersey, and New York and outside the United States.

## Transaction Guidelines

### Binding New Policies

An agent in good standing with National General has the authority to bind coverage according to the terms and conditions in this Guide. New business applications cannot be bound or effective until the following conditions are met:

- The agent has obtained adequate information to accurately rate the risk and has done so.
- The application and all applicable forms and documents are completed and signed by the applicant and the appointed agent.
- The down payment has been collected.

All applications are required to be submitted within 96 hours of the policy effective date.

A policy cannot be effective earlier than the time and date that an accurate rate is generated, the applicant and agent have signed the application, and the down payment or payment in full has been collected by the agent.

The policy may be written only in the name of an individual or in the names of a husband and wife or same gender domestic partners who are residents of the same household. Only one policy may be issued to an individual, husband and wife or same gender domestic partners.

A policy may not be written in the names of two or more individuals, including a parent and a child. If a vehicle is titled to two related persons, only one may be listed as the named insured. The company will list the second person as a designated covered person if requested.

Automobile leasing companies may be listed as additional insureds. However, no other businesses are acceptable as additional insureds.

Only one policy may be issued to family members residing in the same household unless the vehicles to be insured are titled and registered in different names and the same person does not appear on multiple titles or registrations as a co-owner. This rule does not apply to Named Non-owner policies which can be written for more than one family member residing in the same household.

National General reserves the right to reject or cancel any risk not bound in accordance with these rules. Agents do not have authority to issue policies, endorsements, or cancellation notices — **unless** specifically authorized by National General in writing.

Brokering is not permitted. It is not acceptable to give National General's underwriting materials to other agents or brokers or to accept applications that have been underwritten or is serviced outside the agency office. Violations will result in immediate termination of the agency agreement.

The insurance coverage requested is predicated on National General's receiving premium. If the insured's down payment is paid by a check that is not honored by his or her bank, no coverage will be provided.

All applications are required to be signed by both the applicant and producer, indicating the time and date submitted.

The named insured may be excluded from the policy but is required to still sign the application. The spouse may also be excluded.

The application is part of the policy contract and is required to be completed. By signing, the insured is agreeing that the information contained in the application is accurate. Incomplete applications may result in the policy being rejected or rated differently than submitted.

**Binding New Policies Continued**

Producers do not have authority to issue policy declarations pages, endorsements or cancellation notices unless specifically authorized by the Company in writing. Producers are required to distribute all applicant forms issued at the point of sale. National General does not permit sub-brokering of business. It is not acceptable for the agent to give our ID cards or underwriting materials to other producers or brokers, or for the agent to accept applications from them for risks they have underwritten or will services outside of the office. There is no binding period for installment payments – payments are required to be postmarked or uploaded before the cancellation date.

Nothing in this Rule Guide shall create any agency relationship whatsoever between the producer and National General.

**Commission Statements**

Producers will receive commission statements monthly. A debit balance is required to be paid promptly and in full. The “Master Producer” will receive commission statements for all branch offices within that account. At the close of each month, all quotes that included an order of a Motor Vehicle Report (MVR) and/or Loss History Report. The total number of quotes with reports ordered is used to calculate the percentage of these policies that were bound. This bound percentage is then compared to the agent’s chargeback threshold. If the bound percentage is greater than or equal to the chargeback threshold, then no chargeback is applicable. If the bound percentage is less than the chargeback threshold, then the agent is charged for all the unbound MVRs and Loss History Reports during that specific month. A comparison is run between the bound percentage and chargeback threshold two months in arrears. This ensures the agent has time to bind any outstanding quotes with a report ordered. As an example, chargebacks on the commission statement in June are charged for reports ordered on unbound quotes in April. The chargeback calculations are done at the state and product level. The agency’s monthly commission statement will reflect any MVR/Loss History Report chargebacks.

**Processing**

Complete all requested information and retain the application with a photocopy of a driver’s license(s) or photo I.D and vehicle registration(s) (applicant’s current DMV registration or bill of sale).

All supporting documents shall be maintained with the signed application. In the event National General needs any document retained by the Producer, the Producer is contractually obligated to send such documents within 24 hours of receipt of National General’s request.

## Misrepresentation of Risk

Misrepresentation of a risk is insurance fraud. Each applicant has the responsibility and obligation to truthfully complete an application for insurance and to inform National General of all changes during the policy period. Failure to do so could result in denial of a claim or rescission of the policy.

The agent is responsible for helping the applicant fully disclose all material facts. To avoid possible misrepresentation and to ensure the accuracy of quoted premiums:

- Verify the vehicles and/or drivers are not listed in our program as an unacceptable risk.
- Make sure the applicant understands and answers all questions. Ask the applicant all questions on the application concerning business use, prior vehicle damage, past insurance fraud, and felonies.
- Inform the applicant that National General uses MVRs, Comprehensive Loss Underwriting Exchange (C.L.U.E.), credit reports, vehicle history reports, and other available reports to assist in verifying information and rating the policy.
- All losses and accident activity — both at-fault and not-at-fault — are required to be disclosed.
- Verify the garaging address of all vehicles.
- Verify that all residents of the household who are of eligible driving age or permit age (whether the residents drive or not) and all drivers who regularly drive the insured vehicles are listed and rated on the application.— including spouses, roommates — as well as those drivers outside of the household to whom the insured auto is furnished or available to use, even occasionally, including those in the military, those away at school, and household members with suspended or revoked drivers licenses are listed and rated or excluded on the application.
- Verify the ownership and registration of the vehicles.
- Verify the number, type, and use classifications of insured vehicles. This includes the use of a vehicle to carry persons or property for compensation or a fee; Commercial Ride Sharing/Transportation Network Companies; limousine or taxi services; livery conveyance (including not-for-hire livery); retail or wholesale delivery (including but not limited to pick up, transport, or delivery of magazines, newspapers, mail, or food). However, this does not apply to shared expense carpools or the use of a covered vehicle for volunteer or charitable purposes for which reimbursement for normal operating expenses is received.
- The insured is required to notify the agent or National General of any change to the policy characteristics — including, but not limited to the following: residency; garaging; household members; drivers; license status; accidents/violations; the number, type, and use of insured vehicles over the life of the policy.

## Agent of Record

Insureds and agents are best served by renewing existing policies with the agent who produced the policy; therefore, changing the agent of record is not encouraged. When an insured insists on changing agents, a request to change the Agent of Record form is required to be signed by the insured prior to the renewal effective date. Agent of record changes will be effective at renewal and cannot be made midterm.

Policies written directly through National General cannot be transferred to an agency policy via an Agent of Record form. The policy is required to be written as a new business policy in the agent code and in a company in which the agent is licensed to write business.

## Endorsements

Endorsement requests should be submitted on or before the endorsement effective date using our agency policy system.

Premium adjustments resulting from policy changes will be made at the time of endorsement or incorporated into future installment bills. If all installment payments have been received, premium adjustments will be billed or credited directly to the insured.

If any automobile, driver, or coverage is added during the policy term, the premium for the endorsement will be based on the rates in effect at the inception date of the policy.

Certain types of endorsements will be reviewed by National General and additional information may be requested because of the transaction being performed.

**Note:** There is no automatic coverage for newly acquired vehicles or new household or regular drivers. The producer is required to follow these guidelines carefully to request any change in coverage.

## Coverage Additions

Coverage changes or additions are effective no earlier than the date and time the applicant notifies the Company of the change.

## Obtaining Immediate Coverage

When an insured wants to obtain immediate coverage for a “new” driver or a “newly” acquired vehicle, they may do so by contacting the Producer. The Producer is responsible for requesting the “change” by using the National General policy transmittal system via phone or fax. If the Producer is unavailable to the insured, the insured may request the “change” through National General by calling customer service at {Phone Number} or emailing [support@nationalgeneral.com/summit](mailto:support@nationalgeneral.com/summit). Confirmation of coverage and all applicable supporting documents are required prior to changes being effective.

## Cancellations

### Flat Cancellations

Flat cancellations after policy inception are only permitted for one of the following reasons:

- National General is notified within 30 days of the policy effective date that there is duplicate coverage on the vehicles equal to or greater than the National General policy. A copy of the Declarations Page from the other policy and the named insured’s written request is required to be submitted.
- The named insured did not take possession of the vehicle during a vehicle purchase and there are no other vehicles listed on the policy. The named insured is required to request the cancellation.

A Cancellation fee is not charged for a flat cancellation.

## **Insured Requested**

Insured requested cancellations are calculated pro rata and are reduced by a Cancellation fee. This fee is fully earned, and no commission is paid on the fee. National General may honor a request to backdate an insured requested cancellation if the insured provides proof of duplicate insurance or proof that the sole vehicle on the policy was sold or a total loss has occurred.

When the agent receives a request to cancel a policy from a named insured, co-named insured, or resident spouse who is listed on the Declarations Page, the agent can process the cancellation. A signed written request from the named insured is required. The agent is required to retain the insured's signed written request and any necessary proof documents.

## **Company Requested**

### **Cancellation for Non-Payment**

National General may void a policy to the date of inception when fraud, concealment, breach of warranty, or material misrepresentation is found.

If the initial down payment is non-sufficient or dishonored, the National General policy becomes null and void.

If payment for a billed installment is not received by the due date, a notice of cancellation may be sent to the insured. Cancellations for non-payment of premium are calculated pro rata.

### **Underwriting Cancellation**

National General may initiate a cancel due to a substantial increase in hazard insured against or any other reason permitted under California law, based upon information obtained from the insured, agent, or a claims investigation or policy transactions.

### **Non-Renewal**

At the time of policy term expiration, National General will not renew a policy if the insured is not eligible under our then current underwriting guidelines, including situations where there is a substantial increase in the hazard insured against.

## **Reinstatements**

Policies may be eligible for reinstatement up to 14 days of a cancellation or expiration date. Policies may be eligible for reinstatement with or without lapse depending on the number of days since the expiration or cancellation.

In addition, certain criteria are required in order to reinstate a policy, such as providing a statement of no loss, satisfactory payment, and outstanding proof documentation, if applicable.

New business policies canceling due to non-sufficient funds may not be eligible for reinstatement. A policy may be rewritten if the insured meets current guidelines and satisfies any outstanding balance; the rate may change.

Company cancellations or non-renewals are not eligible for reinstatement. A policy may be rewritten if the insured meets current guidelines and satisfies any outstanding balance; the rate may change.

## **Renewals**

A renewal offer will be sent to the named insured prior to the policy expiration date according to statutory requirements. The insured is required to pay all balances due before money received can be applied to the renewal. Policies will be reviewed and re-rated at expiration using current rates, point counts, and classifications.

## Billing, Payments, and Fees

### Term of Policy

Six-month and twelve-month term policies are offered and will display in the system when available.

### Payment Options

A variety of payment options are available from paid in full to installment billing with various down payments. The insured can be directly billed or have installment payments automatically withdrawn from a checking account, VISA, or MasterCard. Payment options available for a quote will be displayed online via the rating software or a comparative rater.

For renewing policies, the renewal payment bill is mailed prior to policy expiration and is due the effective date of the renewal.

#### Six-Month Term

DOWN PAYMENT REQUIRED	NUMBER OF INSTALLMENTS
16.7%	5
18%	5
25%	4 or 5
33.3%	5
50%	1

#### Twelve-Month Term

DOWN PAYMENT REQUIRED	NUMBER OF INSTALLMENTS
6%	11
7%	11
8.33%	11
9%	11
10%	11
12.5%	10

### Payment Instructions

Collect the amount due from the applicant for the selected payment option for all new application premiums, deposit into the agency account, and upload the down payment with the application. All premium/cancellation refunds are sent directly to the insured. No exceptions will be made. Cancellations for non-payment to the producer cannot be issued.

- National General will render a bill for any premium due directly to the insured.
- Renewal payment should be sent directly to National General.
- Any renewal payment made directly to the agency should be postmarked on the same day it is paid to the agency.

Renewal payments are required to be postmarked or uploaded before expiration to avoid lapses in coverage.

### Payment on Time

Pay the exact amount of the payment on or before the cancel date to keep the policy in full force with no lapse in coverage.



### Late Installment Payments

A policyholder's installment payment is not considered late when the payment is uploaded on the due date or received by an authorized representative on the due date. If the policy holder mails the payment it is required to be postmarked the day before the cancel date to avoid a late fee being charged.

### Underwriting/Non-Payment

A pending cancellation for underwriting reasons will not interrupt the billing cycle. If both, underwriting and non-payment cancellations are pending; the policy will not be reinstated unless conditions are satisfied for both.

### Refund Checks

Refund checks due to credit endorsements will be issued 25 days after the endorsement is processed, since a car that is sold is often replaced. This procedure allows the company a chance to process the endorsement for the replacement auto.

Refund checks due to cancellation will be mailed within 25 business days of the cancellation effective date. Refund checks due to overpayment of premium will be mailed within 25 business days after the last payment was received.

### Returned Down Payment

If the applicant's credit card or down payment check is returned or refused by the bank, the application for insurance coverage will automatically be null and void.

### Returned Payments Electronic Sweep

If a payment was uploaded, the policy will be processed as if the insured's payment was made directly to the company. If the returned payment occurs on the down payment, the policy is cancelled back to inception.

The company is required to be notified immediately upon receipt of a returned check. A copy of the document should be faxed to 1-909-243-7150 for reimbursement.

### Returned Installment Payment

If the insured's check for an installment payment, deposited by the company, is returned by the bank, the insured will be charged an NSF fee for the returned check and a cancellation notice for non-payment of premium will be issued.

### Payments

All National General payment invoices are billed directly to the insured **except** the down payment, which is required to accompany the application. Each invoice will contain a schedule of remaining payments.

All refunds are mailed directly to the insured.

When an agent accepts an insured's check, it should be made payable to National General or the agency. When an insured's check is made payable to National General the check should be endorsed to the agency account by signing or stamping the check and indicating 'For Deposit Only.'

When an insured's check is returned to the agency for non-sufficient funds reasons, National General will reimburse the agent — including any associated bank fees up to a maximum of \$25. Agent notification is required to be received at National General within 15 calendar days of the date the insured's check was written to receive reimbursement.

Acceptable methods of payment are:

- Down Payment — VISA, Discover, American Express, and MasterCard credit card or debit card, agent sweep, or electronic check.
- Installment Payment — VISA, Discover, American Express, and MasterCard credit card or debit card, agent sweep, or electronic check.
- Electronic Funds Transfer (EFT)/Auto Pay — VISA, Discover, American Express, or MasterCard credit card, checking account, or savings account.

## Electronic Funds Transfer (EFT)/Auto Pay

If the Electronic Funds Transfer (EFT)/Auto Pay payment method is available, an insured may complete a National General Electronic Funds Transfer (EFT)/Auto Pay Authorization Agreement at new business or at renewal and choose to have monthly installments electronically withdrawn from:

- A personal checking account or savings account **or**
- Credit card or debit card.

National General will provide the named insured a draft schedule of Electronic Funds Transfer (EFT)/Auto Pay transactions.

If a change occurs on the policy resulting in a premium change, a revised statement will be issued in advance confirming the new amount to be drafted. Agents should notify insureds that National General will continue drafting based on the current draft schedule until the revised statement is issued.

Requests to change account information or draft dates are required to be received by National General at least ten business days prior to the next draft. Requests to stop Electronic Funds Transfer (EFT)/Auto Pay are required to be received by National General at least 3 business days prior to the next draft. For account information changes, a new Electronic Funds Transfer (EFT)/Auto Pay Authorization Agreement is required.

Renewal down payments will automatically be drafted from the named insured's account — unless a written request to stop the draft is received.

## Broker Returned Payments

Checks that are returned to the company have been presented for payment twice. When checks are returned to the company:

- The company will contact the agent to advise that a replacement payment is required to be delivered to the company within three business days to replace the returned check. A notice with the same information will also be faxed to the agency. Failure to comply with these requirements may cause the agent's contract with the company to be terminated.
- The company will not subtract individual policy payments from agent commissions to cover returned checks.
- If two checks are returned within six months of each other, or if three checks are returned within 12 months of each other, the company will terminate the agent's contract for non-performance.

## Electronic Withdrawal Not Honored

When the company is authorized to electronically withdraw payments from a broker's account, the electronic withdrawal occurs three business days after submission of the transaction(s) to the company. If an electronic withdrawal is not honored:

- The agent will be contacted by the company and advised that the electronic funds transfer was not honored. The agent will be required to make replacement payment to the company within three business days.
- The company will not subtract individual policy payments from the agent's commissions to cover dishonored electronic funds transfers.
- If two electronic transfers are not honored within six months of each other, or if three electronic transfers are not honored within 12 months of each other, the company will terminate the agent's contract for non-performance.

## Fees

### California Vehicle Assessment and Fraud

A \$1.76 fee is charged per vehicle per year for 12-month term policies; \$0.88 will be charged semi-annually per vehicle for 6-month term policies. The state-mandated fee is used to fund the investigation and prosecution of fraudulent automobile insurance claims.

### Cancel

A \$50 fee is charged for non-payment and insured requested cancellations or when a customer cancels the policy before the renewal date. Early cancellation can be by customer request or due to nonpayment.

### Convenience

A \$5 fee is charged for processing any payment by phone with the assistance of a Customer Service Representative.

### Endorsement

A \$5 fee is charged for any endorsement that results in a change to the premium. (Endorsements made within 72 hours of the new business effective date are not charged the fee.)

### Financial Responsibility (FR) Filing

A \$20 fee is charged for each person on a policy for whom a Financial Responsibility SR-22 filing is made. (Refer to SR-22 Filings in this Guide.) The fee is also applied if a policy is reinstated after cancellation.

### Installment

The Installment fee is included in the installment amount and on new and renewal down payments. The amount of the fee is based on payment method.

#### Electronic Funds Transfer (EFT)/Auto Pay

Checking/Saving	\$ 4
Recurring Credit Card/Debit Card	\$12
Direct Bill	\$12

### Late

A \$10 fee is charged when a payment not received by the due date.

### Non-Sufficient Funds

A \$25 fee is charged on all returned checks that were not honored by the bank.

### Policy

A \$21 fee is charged on new business and renewal policies to cover the cost of acquiring, setting up, and renewing a policy. Fee will be reduced when Good Driver Discount is applicable.

### Reinstatement

A \$20 fee is charged to reinstate a lapsed policy. Fee will be reduced when Good Driver Discount is applicable.

## Document Retention and Review Requirements

It is important to maintain complete and accurate records on all insurance transactions conducted on behalf of National General. When an agent completes a sale or policy endorsement, an Agency ToDo prints a list of documents required to be submitted to National General or to be retained in the customer file. These documents — whether paper or electronic form — should be retained for at least five years from the policy expiration date (or if coverage was never bound, from the date on which the policy quote was rejected). If State Law requires such documents be retained longer than five years, comply with the state requirement.

All agency records pertaining to the business of National General are open for evaluation and inspection during routine reviews. Upon request, the agent will be required to present specific documentation. Failure to provide the documentation within the allotted period will result in a failed review.

### Uploading Policy Documents

When an Agency ToDo requires documentation be submitted to National General, uploading documents through the system is the fastest and easiest way to ensure receipt of the customer's documentation immediately.

### Go Paperless

Enroll National General customers in paperless document delivery — adding value for the customer and reducing calls to the agency. Paperless document delivery provides the insured immediate access to Declarations Pages, Policy Booklets, endorsements, renewals, and other documents.

**Note:** The insured will continue to receive printed invoices and cancelation notices delivered by the United States Postal Service.

The only requirement for an insured to Go Paperless is a valid email address. Insureds choosing to Go Paperless, will receive a welcome email advising to register online for Self-Service.

### eSignature

New business customers can choose to electronically sign (e-sign) Point of Sale (POS) policy documents that require a signature — eliminating the need to obtain a handwritten signature.

The following eSign options are available:

- Customer Self-Service
- Unique URL/PIN Authentication
- Agent Vendor eSign.

**Note:** The eSign options are only available for new business point of sale documents requiring a signature. The eSign notions are not available for signature documents generated by endorsements or renewals.

### Customer Self-Service

When a new business customer is on the phone, a valid e-mail address is required to choose eSign. When the policy is bound, the insured and co-named insured (if applicable) will receive an email advising them to 1) register for a self-service account **and** 2) review and e-sign the documents.

**Note:** Registration is a one-time process required for the insured to set up the ID and password for future access to policy information.

### Unique URL/PIN Authentication

The insured is required to provide a valid email address during the quote process; to receive eSignature text messages, a valid cell phone number is required to be provided. When the policy is bound, the insured will receive an email from Service@NGIC.com and/or text message providing a unique URL and 4-digit PIN required to eSign policy documents. To complete the eSignature process, the insured is required to click the **Sign** button within the email and/or text body.

### **Agent/Broker Vendor and eSign Process**

When new business customers choose to sign POS document electronically, the agent's own eSignature vendor can be used. (Contact the agency's Marketing Representative for a list of eSignature vendors accepted by National General)

When an insured does not e-sign the documents within 3 days of receiving the e-mail, the New Business Packet will be printed and mailed to them via the United States Postal Service using the address on the policy. Failure to submit the requested information to National General could result in an increase in policy premium or even cancellation of the policy.

The agent is responsible for obtaining the signature on all documents that are required be signed — regardless of the signature option selected by the insured. In the event the insured does not electronically sign documents that require a signature, the agent is required to obtain signatures on the printed documents retain those documents in the customer file.