

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



NORTH CAROLINA  
**Personal Auto**  
Underwriting & Product Guide

*Revised: 04/20/2026*

Underwritten by: Integon General Insurance Corporation, Integon  
Indemnity Corporation, Integon Preferred Insurance  
Company

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# Unacceptable Risks

## Unacceptable Physical Damage Risks — Policy/Driver Level

The following risks are not eligible for Physical Damage coverage:

- Drivers or household members convicted of insurance fraud.
- Drivers or household members convicted of felony use of auto.
- Spouses living in separate households.
- Rated drivers living in separate households.
- Drivers without a valid United States or foreign driver license or learner permit — **unless** National General can obtain a valid MVR.
- Policies with a listed vehicle located with a student in one of the following states: Alaska, Arizona, California, District of Columbia, Florida, Kentucky, Louisiana, Massachusetts, Michigan, Missouri, Mississippi, New Jersey, New Mexico, New York, or Washington.
- Multiple National General policies in the same household **unless**:
  - A child owns his or her own vehicle or
  - Unrelated residents/roommates are living in the same household.

**Note:** When a household has policies from multiple insurance carriers, the household members who do not have a National General policy should be listed on the National General policy as Other Insurance.

- Policies that have more than 35 Safe Driver Insurance Plan (SDIP) points.

## Unacceptable Vehicles

The following vehicles are not eligible for coverage:

- Vehicles without a valid United States garaging ZIP Code.
- Vehicles that do not have a title or are not licensed for road use.
- Vehicles not garaged in North Carolina a minimum of 6 months of the year.

**Note:** For full-time students and members of the United States military, vehicles not garaged in the principal state are acceptable provided at least one vehicle is garaged in the state the policy was written.

- Utility trailer/horse trailer with Original Cost new (OCN) greater than \$50,000 and or sleeping/living quarters.

The following vehicles are not eligible for Physical Damage coverage:

- Vehicles that are 35 years of age or older.
  - Antique autos.
  - Kit cars and dune buggies.
  - [Four-wheel low speed vehicles and modified utility vehicles.](#)
  - Flatbed trucks, stake trucks, dump trucks, cutaway vans, and all other commercial type trucks.
  - Vehicles leased or rented to other drivers by the named insured.
  - Vehicles regularly available to drivers not listed on the policy.
  - Vehicles insured for stated amount.
  - Vehicles with altered suspension greater than 6 inches or a modified engine.
  - Vehicles used for Business Use or Artisan Use **and**:
    - Driven by employees or
    - Not owned by the named insured or spouse or
    - Vehicle type is motorhome, van conversion, trailer, camper, utility, bus conversion, semi, or cabriolet.
  - Artisan Use vehicles that visit more than one job site a day.
  - Vehicles used for the following: emergency; racing; livery; limousine or taxi service; or hauling explosives.
  - Vehicles used for Transportation Network Company (TNC) activity that do not have the Primary Use class of TNC Activity (Transportation Network Company) — TNC.
  - Vehicles used for the delivery of food, goods, items, or products including but not limited to coverage for an auto used by an insured that does not have Delivery Coverage but is logged into a delivery network platform.
- Exception:** Vehicles used for Route Use (mail delivery) when the insured is a member of the National Rural Letter Carriers Association.
- Postal unit or right-hand drive vehicles not used for route delivery.
  - Non-RV type vehicles equipped with cooking equipment or a bathroom.
  - Vehicles equipped with snow removal equipment. No exceptions — even for personal use on private property.
  - Gray market vehicles.
  - Vehicles with Original Cost New (OCN) greater than \$150,000.
  - For members of the United States Military, vehicles garaged in CA, DC, MA, MI, NJ, or NY.

- Including but not limited to any make/model listed below:

<b>Make</b>	<b>Model</b>	<b>Make</b>	<b>Model</b>
American General	H1	Lada	All Models
ARO	All Models	Laforza	PSV-L4
Aston Martin	All Models	Lamborghini	All Models
Audi	R8	Lexus	LF-A
Automobili Pininfarina	All Models	London	All Models
Avanti	All Models	Lordstown EV Corporation	All Models
Bentley	All Models	Lotus	Elan, Esprit
BMW	Z8	Lucid	All Models
Bricklin	All Models	Maserati	28, 425, 430, Biturbo, Coupe GT, Gransport, Spyder
Brightdrop	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
Cruise	All Models	Pantera	All Models
Delorean	All Models	Pininfarina	All Models
Dinan	All Models	Polestar	All Models
Dodge	Shelby Durango	Pontiac	Lingenfelter Trans Am
Elio	All Models	Porsche	All Ruf Models, Carrera GT, 911 GT2, 911 GT3, 918 Spyder
Ferrari	All Models	Rivian	Cargo Vans
Fisker	All Models	Rolls Royce	All Models
Ford	All Saleen Mustangs, Ford GT, Think	Roush	All Roush Mustangs
GEM	All Models	Ruf	All Models
GM EV1	All Models	Saleen	All Models
Greenpower Motors	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	H1, Humvee	Toyota	All HKS Enhanced Supra Turbos
Ineos	All Models	Vector	All Models
Jaguar	XJL	Vinfast Trading and Production LLC	All Models
Jensen	All Models	XOS	All Models
Karma	All Models		

# Coverages

The system automatically displays available coverage limits.

## Liability

### Bodily Injury (BI)/Property Damage (PD)

- Requires limits to be equal to or higher than the minimum Financial Responsibility limits required by law in any state in which a vehicle is garaged for more than 7 months of the year.
- Requires limits to be the same for all vehicles on a policy or the same as on separate policies for persons residing in the same household.
- Requires BI/PD coverages to be written together.
- Required on policies containing a Financial Responsibility Filing and on named non-owner policies.
- Requires limits on out-of-state risks to meet or exceed minimum limits of that state.
- Available limits include:
  - 50/100/50
  - 100/300/25
  - 100/300/50
  - 100/300/100
  - 250/500/25
  - 250/500/50
  - 250/500/100
  - 500/500/100 — not available for ceded risks
  - 500/500/500 — not available for ceded risks.

### Medical Payments

- An optional coverage that pays for reasonable expenses incurred for medical and funeral expenses due to injury caused by an accident.
- Requires Liability coverage.
- Requires limits to be the same for all vehicles on a policy.
- Not available for antique, kit cars, or dune buggies.
- Available limits include:
  - \$500
  - \$750
  - \$1,000
  - \$2,000
  - \$5,000.

## **Uninsured/Underinsured**

### **Uninsured/Underinsured Motorist Bodily Injury (UMBI/UIMBI)**

- Insured is covered in both uninsured and underinsured driver situations.
- Required on all vehicles with Bodily Injury coverage.
- Requires limits to be the same for all vehicles on a policy.
- Risks that purchase Bodily Injury limits of 50-100 or greater are required to purchase Uninsured/Underinsured Motorist Bodily Injury coverage from 50-100 up to 1,000,000-1,000,000.

### **Uninsured Motorist Property Damage (UMPD)**

- Pays when the other driver is at-fault and does not have Property Damage coverage.
- Required on all vehicles with Property Damage coverage.
- Requires limits to be equal Property Damage limits.

## **Physical Damage**

### **Comprehensive / Collision**

- Vehicles on a multi-car policy may have different deductibles.
- Required on any vehicle with a loss payee.
- Requires Comprehensive coverage if Collision coverage is written.
- Available Comprehensive deductibles include:
  - Actual Cash Value (ACV)
  - \$100
  - \$250
  - \$500
  - \$1,000.
- Available Collision deductibles include:
  - \$100
  - \$250
  - \$500
  - \$1,000.

### **Accident Protection Plan**

- Pays a lump sum of money when an insured is killed or dismembered in a motor vehicle accident.
- Two plans are available: Individual and Family. Each plan has seven different limit options.
- Coverage can only be added to a policy at new business or at renewal.
- Billing for Accident Protection Plan coverage is combined with the auto policy billing.
- Adding Accident Protection Plan Coverage to a quote will enable lower down payment options.

## **Audio Visual & Data Electronics**

- Pays for loss to electronic equipment that receives or transmits audio, visual, or data signals that is not designed solely for the reproduction of sound while installed in a covered vehicle.
- Requires Comprehensive and Collision coverages.
- Electronic equipment is required to be installed permanently (i.e., permanently attached to the vehicle). The equipment is not required to reside in a factory-designed location.
- Items covered by this endorsement are not subject to a deductible in the event of a claim.
- Limits up to \$5,000 can be purchased.
- If a vehicle's electronic equipment is not covered under the base policy, additional coverage may be purchased under endorsement NC 03 15.

## **Custom Equipment**

- Pays for custom furnishing or equipment.
- Only available on policies with Comprehensive and Collision coverages.
- Custom equipment is required to be installed permanently (i.e., permanently attached to the vehicle).
- Items covered by this endorsement are not subject to a deductible in the event of a claim.
- Limits up to \$34,000 can be purchased.
- If a vehicle's customized equipment is not covered under the base policy, additional coverage can be purchased under endorsement NC 03 15.

## **Extended Transportation Expense**

- Reimburses the insured for each qualified disablement on a covered vehicle. Qualified disablement means a loss covered by the Liability, Comprehensive coverage, or Collision coverage sections of the policy.
- Requires Comprehensive coverage.
- Limits are required to be the same for all vehicles on a policy.
- Limits available include:
  - \$30 per day, maximum \$900
  - \$50 per day, maximum \$1,500
  - \$75 per day, maximum \$2,250
  - \$100 per day, maximum \$3,000.

## **Repair or Replacement**

- When purchased, changes Comprehensive and Collision coverage from Actual Cash Value (ACV) to replacement cost.
- Pays the lesser of the reasonable cost to repair or the cost of a new auto of equivalent size, body type, and make.
- Vehicle are required to be purchased new and the Repair or Replacement Coverage is required to be added within 60 days of purchase and maintained continuously.
- Vehicle are required to be 5 years of age or less.
- Requires Comprehensive coverage and Collision coverage.

## Towing & Labor

- Reimburses the insured for each disablement of a covered vehicle — subject to a maximum limit for each policy term.
- Limits are required to be the same for all vehicles on a policy.
- Available when a vehicle has Liability coverage, Liability and Comprehensive Only coverage, or if the vehicle has Liability and Comprehensive/Collision coverage.
- Limits available include:
  - \$50
  - \$100.

## Transportation Network Company (TNC)

TNC Primary Use class is required to be selected in order to buy back coverage that is excluded under livery on a vehicle with TNC activity. If TNC is selected, coverage will be afforded under endorsement PP55 45 for any portion of the time that an insured is logged into a transportation network platform as a driver and there is no passenger occupying the vehicle and no fare has been assigned. **TNC Primary Use class does not include delivery of food, goods, items, or products.**

## Delivery Coverage

Delivery Coverage is required to be selected in order to purchase coverage for an auto used for the delivery of food, goods, items, or products, including but not limited to coverage for an auto used by an insured who is logged into a delivery network platform as a driver to provide delivery services. **This endorsement does not replace the TNC Use Class requirement.**

**Note:** If a vehicle is used for TNC and Delivery of food, goods, items, or products, TNC Use Class **and** Delivery Coverage are required to be selected.

## Discounts

The system requests proof documentation required to retain discount automatically.

### Accident Free Claims Free

Available when no chargeable or non-chargeable accidents or claims related activity exist for any rated driver on the policy.

### Advance Quote

Available for new business policies when:

- The policy is quoted before the policy effective date.
- The customer provides all required rating information.
- The policy has prior insurance with no lapse in coverage.

### Air Bag

Available to each vehicle on the policy that is equipped with driver-side air bag or both driver- and passenger-side air bags.

### Commercial Driver License

Available for any rated driver who has a valid active commercial driver license.

### Credit ZIP Match

Applies if all garaging ZIP Codes match the ZIP Code returned from the credit score.

### Defensive Driver

Available to drivers age 16 to 22 who have 2 years or less driving experience and successfully complete an approved defensive driving course within the prior 36 months. Drivers are required to not have any accidents nor have any points within the past 12 months.

### DynamicDrive<sup>®</sup>

Applies to drivers participating in the National General DynamicDrive program who provide a valid email address and install the approved application on their smartphone.

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

Available when policy payment is set up to transfer automatically from a savings or checking account.

**Note:** This discount is not available when payment transfer is set up from a credit card or debit card.

### Good Student

Available to each rated driver who is between 16 and 24 years of age on or before the policy term effective date and meets the following criteria:

- Has a valid United States driver license or learner permit.
- Is a full-time high school, college/university, or technical/vocational school student **or** is enrolled in an academic home study program.
- Provides a certified statement from a school official — at discount inception and annually thereafter — indicating that the student has met one of the following requirements during the preceding semester/quarter:
  - Is ranked scholastically in the upper 20% of their class or
  - Maintains a cumulative 'B' (3.0) average or better or
  - Is listed on a Dean's List, Honor Roll, or comparable listing of scholastic achievement or
  - Is ranked in the top 20% of a national standardized test administered within the past 12 months (e.g., SAT, ACT PSAT, PACT).

**Note:** A copy of the test results is required. The agent retains proof.

Discount does not apply if the student is not rated.

## Go Paperless

Available at new business when the named insured chooses to receive policy documents electronically and provides and maintains an active, valid email address. If an email is returned undelivered, the documents will be sent via regular mail and the discount will be removed.

If the insured endorses Paperless onto the policy mid-term, the discount will be applied effective the day the insured confirms their paperless preference.

If the insured requests to receive policy documents by conventional mail, the discount will be removed.

## Homeowner

Available when named insured owns their home, condominium, townhome **or** has a Full-Timer (RVs used as a primary residence) policy.

**Note:** This discount does not include mobile home ownership.

## In-Agency

Available when the agency that is writing the new National General Policy has the existing personal lines auto policy with the insured and that policy has been in-force for at least 12 months with 0 days lapse.

- Proof of discount eligibility will be part of the review process; the agent retains proof.
- Prior National General Policies are not eligible for the In-Agency discount.

## Military

Available when a driver is an active or retired member of the United States military **and** is in pay grade E5 or higher **or** any pay grade beginning with O or W.

## Mobile Home

Available when the named insured owns the mobile home in which they reside, **and** the mobile home is 10 years old or less.

## Multi-Car

Available for all vehicles on the policy when:

- The policy covers more than one private passenger auto.
- All vehicles are required to be listed on the same policy and primarily driven by persons living in the same household.

## Multi-Policy

Available when an insured has more than one policy with National General:

- Commercial
- Flood
- Motorcycle
- Motorhome
- Agency Controlled Homeowners
- Agency Controlled Renters.

## New Vehicle

Automatically applied to vehicles on a policy when the vehicle model year is in the current calendar year. The discount is removed automatically at renewal when the vehicle model year is no longer in the current calendar year.

## **Paid In Full**

Available when insured pays 100% of the total premium by cash, check, Electronic Funds Transfer (EFT)/Auto Pay, credit card, or debit card at the inception of the policy term.

**Note:** This discount is not available if the policy is premium financed.

## **Student Away at College**

Available for any rated driver between 16 and 24 years of age on a policy who:

- Is enrolled in a college or university that is at least 100 miles from home and does not have a vehicle at school.
- Has a valid United States or foreign driver license.
- Has a marital status of single.

# Surcharges

## Business Use

Applied when a private passenger vehicle is used regularly or frequently for business errands or personal transportation related to the insured's employment.

Unacceptable Business Use includes but is not limited to vehicles:

- Used for livery, taxi, or limousine or to transport children, workers, or hotel guests.
- Used in any form of pick up or delivery of goods or property.

Only one Business Use or Artisan Use vehicle can be on a policy.

# Quote Information

## Accidents and Violations

### Experience Period

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

### Accident Threshold

A different point amount is assigned —depending on the threshold amount.

### Non-Chargeable Incidents (NCIs)

NCIs on the policy are used in rating and tiering. Those NCIs include:

- UM/UIM, Personal Injury Protection, and Medical Payment losses for any rated driver
- Not-at-fault accidents — including single car incidents — for any rated driver
- Comprehensive losses within the household greater than \$1,000
- Waived violations or accidents
- NCIs that cannot be assigned to a specific driver (attribute applied to named insured)
- Improper equipment violations.

### Not-at-Fault Accidents

All accidents are chargeable — **unless** proof of not-at-fault is provided. Acceptable proof of not-at-fault is:

- A copy of the police report or court documents clearly indicating not-at-fault.
- A letter from the previous carrier.
- A letter from the agent or from the named insured containing details of not-at-fault, such as:
  - Vehicle involved in the accident was legally parked at the time of the accident.
  - Insured was reimbursed by, or on behalf of, the person responsible for the accident or has a judgment against such person.
  - Insured's vehicle was struck in the rear by a vehicle headed in the same direction and the insured was not convicted of a moving traffic violation in connection with the accident.
  - Vehicle was struck by a hit-and-run driver and the accident was reported to proper authority within 24 hours by the applicant or resident driver.
  - Insured was not convicted of a moving traffic violation in connection with the accident.
  - Insured was adjudicated not to be liable by a court of competent jurisdiction.
  - Insured received a traffic citation that was dismissed or nolle prossed.
  - Insured can provide written information establishing that they were not-at-fault, and this information is not contradicted.
  - Accident was caused by flying or falling objects or contact with animal or fowl.
  - Accident occurred when using vehicle in response to an emergency when the driver of the vehicle at the time of accident was a paid or volunteer member of any Police or Fire Department, First Aid Squad, or any law enforcement agency. This exception does not include an accident occurring after the vehicle ceases to be used in response to such emergency.

Keep these documents in the agency files.

## **Insurance Score**

For applicants 18 years of age or older, National General will request credit information to develop an insurance score used in determining tier. To obtain the most accurate quote information, include applicant's full name, current address, and Social Security number. Although an applicant is not required to provide their Social Security number, it helps determine a more accurate estimate. If an applicant has recently moved, prior address may be used.

No one will be denied coverage based on their credit history.

A customer can request a copy of their credit report by calling the credit reporting agency. Only the customer can request this information; it cannot be provided to National General or agent.

## **FS-1 Filings**

National General files an FS-1 form with the state as proof of an active Liability insurance policy.

## **Vehicle History Rating**

National General will obtain a Vehicle History Report — based on Vehicle Identification Number (VIN) — from AutoCheck (a part of Experian) at new business and when a vehicle is added to a policy. A vehicle history score/code is assigned based on characteristics found in the Report. The following are examples of the vehicle characteristics:

- Prior vehicle damage
- Number of title changes (i.e., number of owners)
- Length of ownership
- Branded title (e.g., salvage, flood, junk, rebuilt).

## **Lifetime Value Score**

A Lifetime Value Score is determined by a statistical model that produces a score group that ranges from 1 – 10. Predictor variables include, but are not limited to:

- Number of drivers
- Number of vehicles
- Prior Limits
- Full coverage or Liability only policy.

## **Insurance Experience**

A rating factor is applied based on the applicant's insurance history — such as length of time insured, number of carriers, etc. The insurance history information is obtained from a third-party consumer report.

## **Underwriting Tiers**

National General competitively prices risk for all categories — from low risk to higher risk.

All risks are written in the lowest priced underwriting tier for which they qualify. Any risk submitted for a tier for which it does not qualify will be issued in the lowest tier for which it does qualify.

At the inception of the policy, National General considers factors for rating auto liability insurance. Those factors include, but are not limited to:

- Number of days since the prior policy lapsed
- Non-chargeable incidents
- Prior or current Bodily Injury Liability limits
- Insurance score
- Driving experience of the driver with the least years of experience on the policy when determining the lowest applicable program tier.

## Proof of Prior (POP)

POP is not required if during the quoting process a hit is received on current carrier that validates prior company, prior coverage dates, **and** prior limits.

If no hit is received on current carrier or current carrier only validates prior company and prior coverage dates, the customer is required to provide:

- Proof of prior Bodily Injury limits.
- Proof of 6 months previous continuous coverage. Multiple policies can be submitted to reach the 6-month minimum.

**Note:** A prior National General or Direct Auto policy is not acceptable POP.

If the required proof is not received within 14 days of the policy inception date, POP will be removed. If POP is received within 30 days, proof will be applied effective back to the policy inception date. If POP is received more than 30 days after the policy inception date, proof will not be applied on the policy.

To be considered acceptable POP, a document is required to be issued by a prior United States or foreign insurance company and is required to contain all the following information:

- Applicant listed as a named insured or as a driver on a personal auto, commercial, or motorcycle policy
- Prior company name
- Bodily Injury limits

**Note:** If the proof is written in another language and the prior limits cannot be determined, the minimum POP limits are required to be given.

- Policy expiration date.

The following documents are acceptable POP:

- Declarations Page
- Renewal/Renewal Offer Declarations Page
- Letter from previous carrier
- ID card (only acceptable for minimum Liability limits)
- Commercial Policy
- Motorcycle Policy.

A billing statement is **not acceptable** POP.

## End-of-Term Transfers

For policies being transferred to National General at the end of the prior policy term, the following company-issued documentation is acceptable POP:

- Renewal Offer
- Non-Renewal Notice
- Prior Declarations Page
- ID card (only acceptable for minimum Liability limits).

## 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 that person's spouse if residing in the same household. Corporations, partnerships, estates, and receiverships are not acceptable as a named insured.

Named insured or spouse are required to have a valid United States or international driver license.

All residents in the household age 15 or older or anyone who regularly drives any vehicle listed on the quote/policy are required to be classified as one of the following:

- **Rated Driver** — Anyone who operates any vehicle listed on the quote/policy are required to be listed as Rated.
- **Does Not Drive** — A household member who was previously licensed and:
  - Household member is not a named insured and
  - Insured vehicle(s) are not titled to household member and
  - Household member does not have a valid license and  
**Note:** Household member's prior license number and state are required.
  - Household member does not operate any vehicle listed on the quote/policy.
- **Other Insurance** — A household member that does not operate any vehicle listed on the quote/policy and owns a vehicle with an active insurance policy. Proof of insurance is required.  
**Note:** Different line of business submissions and named non-owner policies are not valid proof of other insurance.
- **Never Licensed (includes Permit Driver not obtaining license)** — A person who has never held a valid license, whether in the United States or another country, and does not operate any vehicle listed on the quote/policy.
- **Does Not Drive — Deployed Military** — A person that resides in the household but is in a branch of the Armed Forces and has been deployed.
  - Deployment includes any movement from a military service member's home station to somewhere outside the continental United States and its territories.
  - Military service member in another state is not considered deployed.

## **Named Non-Owner Policy**

A named non-owner policy provides Liability coverage for individuals who do not own a vehicle, who do not have regular or frequent access to any vehicle for personal use, and who do not reside in a household where a vehicle is garaged. The rating territory is based on the named insured's city and county — 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.
- If the named insured is married, a separate policy is required to be written for each individual.
- Coverage does not extend to other household members (besides the spouse when named insured is married) 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.
- Business Use or Artisan Use is not acceptable.
- Discounts and surcharges are applicable.

## **Vehicle and Driver Assignment**

Inexperienced drivers may be assigned to vehicles. If the agent does not assign inexperienced drivers to vehicles, National General will assign drivers to vehicles based on the highest-to-highest method.

## **Driver Marital Status**

National General classifies persons who are not legally married as single for rating purposes. Married driver rates are only applied to those legally married and residing in the same household. Drivers who are married but living in separate households, widowed, separated, or divorced are rated as single.

## **Garaging Location**

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

## **Out-of-State Risks**

An out-of-state risk is a student or member of the U. S. military who:

- Temporarily resides in a state other than the policy rating state.
- Garages an insured vehicle in that state, but permanently resides in North Carolina.

To be an acceptable risk:

- At least one vehicle on the policy is required to be garaged in North Carolina.
- Liability limits are required to equal or be greater than minimum required out-of-state limits.
- UMBI limits are required to equal Liability limits.

## **Leased Vehicles**

Vehicles that are leased in the insured's name and are not classified as Artisan Use or Business Use are acceptable at no additional premium. The lessee should be listed as the named insured or spouse and the leasing company as the loss payee/additional interest.

Vehicles leased by an individual for business use are acceptable if the usage meets Business Use or Artisan Use guidelines.

## **Four-Wheel Low Speed/Modified Utility Vehicles**

### **Low Speed Vehicles**

Low speed vehicles are 4-wheel electric-powered vehicles whose top speed is greater than 20 miles per hour but less than 25 miles per hour.

Gas-powered vehicles that operate at lower speeds are not considered Low Speed Vehicles. Contact Customer Service for assistance.

### **Modified Utility Vehicle**

Modified Utility Vehicles are 4-wheel motor-powered vehicles manufactured or up-fitted by a licensed manufacturer dealer, person, or business otherwise engaged in vehicle manufacturing or modification for off-road use and includes **ALL** of the following characteristics:

- Overall length is 110 inches or greater
- Overall width is 58 inches or greater
- Overall height is 60 inches or greater
- Maximum speed capability is 40 miles per hour or greater
- Does not require an operator or passenger to straddle a seat.

## Eligibility Guidelines

In order for a low speed vehicle, modified utility vehicle, all-terrain vehicle, golf cart, and utility vehicle to qualify for PPA liability only coverage, the vehicle is required to be maintained in proper working order (photos required), be registered for street use (If the vehicle primary use is off-road, the vehicle can be written within the motorcycle program where full coverage is offered) and be equipped with the following:

- Headlamps
- Stop lamps
- Turn signal lamps
- Tail lamps
- Reflex reflectors
- Parking brakes
- Rearview mirrors
- Windshields
- Windshield wipers
- Speedometer
- Seat belts
- Vehicle Identification Number (VIN).
- Vehicle is required to have a manufacturer's VIN number or have been up-fitted by a dealer or business for road use with safety equipment required by G.S 20-121.1 (2a) and upon application by the owner, the DMV has assigned a vehicle identification number to the modified utility vehicle prior to registration.

The following do not qualify as low speed/modified utility vehicles:

- Riding lawn mowers
- Motorcycles
- Mopeds
- Scooters
- Mini-trucks can be PPA type vehicles or commercial type vehicles.
  - Commercial type mini-trucks should be written in our commercial program.
  - Private passenger auto type mini-trucks should be rated as PPA and added by selecting Mini-Truck in the vehicle drop-down.
- Kit cars and dune buggies should be rated as a PPA vehicle. Please contact Customer Service for assistance.

**Note:** Kit cars and dune buggies cannot be classed as Antique.

# 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 48 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.

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 our underwriting materials to other agents or brokers or to accept applications from them for risks they have underwritten or will service outside the office. Violations will result in immediate termination of the agency agreement.

## MVR/Loss History Reports Chargeback Process

At the close of each month, all quotes that included an order of a Motor Vehicle Report (MVR) and/or Loss History Report are reviewed. 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 of the unbound MVRs and Loss History Reports during that specific month.

A comparison is run between the bound percentage and chargeback threshold 2 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.

## Hazardous Weather Binding Restrictions

If a hurricane, tropical storm, tornado, hailstorm, or flood occurs or a warning is placed in effect, **do not** bind any new Physical Damage coverage. Physical Damage coverage can be added when the moratorium or warning is lifted. If binding coverage within 48 hours after a warning or moratorium has been lifted, the agent is required to inspect the vehicle before initiating Physical Damage coverage. Note the application that an inspection was completed.

### New Business

- Do not bind any new policies with Physical Damage coverage.
- Liability Only policies can be bound.

### Endorsements

- Do not add or replace a vehicle with Physical Damage coverage.
- Do not add Physical Damage coverage to an existing Liability Only vehicle.
- Do not lower a Physical Damage deductible for an existing vehicle.
- Do not increase Physical Damage coverage on an existing vehicle.
- All other types of endorsements can be bound.

### Reinstatements

Policies with Liability Only coverage are eligible for reinstatement.

## 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 any and 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 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, C.L.U.E., credit 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 they drive or not) and all drivers who regularly drive the insured vehicles are listed and rated on the application.

## 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 (AOR) is not encouraged. When an insured insists on changing agents, a request to change the AOR signed by the insured prior to the renewal effective date is required. AOR 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 AOR form. The policy is required to be written as a new business policy in the agent code and in a company in which the agency is licensed to write business.

## Undeclared Drivers

In the event that a previously undeclared driver is discovered, National General reserves the right to make appropriate policy and coverage changes.

## Endorsements

Endorsement requests should be submitted using our agency policy system at [www.natgenagency.com](http://www.natgenagency.com).

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 or if the policy is premium financed, premium adjustments will be billed or credited directly to the insured.

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

## 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 short rate.

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, 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.

The cancellation effective date can be:

- 10 days or less in the future
- 30 days or less in the past.

**Note:** When the cancellation effective date is more than 30 days in the past, the agent is required to send National General a cancellation request signed by the insured along with proof of other coverage.

When claims declares a vehicle a total loss and National General retains the salvage, upon customer request the vehicle will be removed from the policy effective one day after the date of loss. If the total loss vehicle is the only vehicle on the policy, a letter will be sent to the insured requesting replacement vehicle information or asking if the policy should be canceled.

## **Company Requested**

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

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, agent, and any loss payee or additional interest. If payment is received **before** the cancellation effective date, the cancellation will not take effect and the policy will remain in-force. If payment is received **on or after** the cancellation effective date, the cancellation will take effect. Cancellations for non-payment of premium are calculated pro rata.

### **Reinstatements**

Policies may be eligible for reinstatement, with no lapse in coverage, within 45 days of a cancellation or expiration date provided certain criteria are met, 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 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 approximately 32 days prior to the policy expiration date. The insured is required to pay all balances due before money received can be applied to the renewal.

# Billing, Payments, and Fees

## Term of Policy

Policies are offered with 6-month and 12-month terms and will display in the system when available.

## 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 — **unless** the policy is premium financed.

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 20 calendar days of the date the insured's check was written in order to receive reimbursement.

Acceptable methods of payment are:

- Down Payment — VISA, Discover, MasterCard or American Express credit card or debit card, agent sweep, electronic check, or personal check
- Installment Payment — VISA, Discover, MasterCard, or American Express credit card or debit card, agent sweep, or electronic check.
- Electronic Funds Transfer (EFT)/Auto Pay — VISA, Discover, MasterCard, or American Express, 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 one of the following:

- 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 is required to be received by National General at least 10 business days prior to the next draft. Requests to stop Electronic Funds Transfer (EFT)/Auto Pay is 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 draft automatically from the named insured's account — **unless** a written request to stop the draft is received.

## **Fees**

### **Installment**

A \$3 fee is included in the installment amount for all payment methods.

### **Late**

A \$10 fee is charged for overdue payments.

### **Non-Sufficient Funds**

A \$20 fee is charged on all returned checks that were not honored by the bank.

### **Pay Plan Setup**

A \$20 fee for a 6-month term or \$40 fee for a 12-month term is charged to set up a payment schedule.

### **Reinstatement**

A \$25 fee is charged to reinstate a lapsed policy.

## 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 the 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 5 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 5 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 agency will be required to present specific documentation. Failure to provide the documentation within the allotted time period will result in a failed review.

### Uploading Policy Documents

When a Policy ToDo requires documentation be submitted to National General, uploading documents through the policy system is the fastest and easiest way to ensure immediate receipt of the policy documents.

### Online Policy Posting

Customers have the option to consent to access their Policy Booklet online instead of receiving a paper copy. They can go to [www.NationalGeneral.com](http://www.NationalGeneral.com) to view, print, or save their Policy Booklet. The cover letter and Declarations Page will advise the insured how to access the Policy Booklet.

Registered self-service customers can also view and print their Policy Booklet in the self-service environment.

### 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 them to register for online Self-Service.

## Electronic Signature (eSignature)

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

The following eSignature options are available:

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

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

**Exception:** For North Carolina private passenger auto policies, when there are two married named insureds on the policy, obtain the first named insured's signature.

### Customer Self-Service

When a new business customer is on the phone, a valid email address is required in order 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 eSign their documents.

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

When an insured does not eSign the documents within 3 days of receiving the email, 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.

### 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.

When an insured does not eSign the documents within 3 days of receiving the email and/or text, the New Business Policy Packet is printed and mailed via the United States Postal Service using the address on the policy. Failure to submit the requested signature documents to National General could result in an increase in policy premium or even cancellation of the policy.

### Agent Vendor eSign

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

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