

NATIONAL
GENERAL[®]
an **Allstate**[®] company



NEVADA

Personal Auto

Underwriting & Product Guide

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Underwritten by: Integon Indemnity Corporation

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Unacceptable Risks

Unacceptable risks include, but are not limited to, the following:

- Policies with a business address used as applicant's garaging address.
- Policies without vehicles garaged in state at least 10 months of the year.
- Policies with drivers residing at two or more different addresses.
- Policies with vehicles garaged at two or more different addresses.
- Policies with five or more Private Passenger Autos (PPA) types.
- Policies with more than two additional vehicles than rated drivers.
- New business policy with more than 6 driver points or 9 total policy points.
- Policies with any Business Use or Artisan Use vehicles.
- Multiple National General policies in the same household are unacceptable unless:
 - The policies are Broadform policies with National General or
 - A child who owns a vehicle or
 - Unrelated residents/roommates are living in the same household.

Notes: If two National General policies are written in the same household, the driver with lower limits is excluded from the policy with higher limits.

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.

Unacceptable Drivers

The following drivers are not eligible for coverage:

- Driver or household member who has been convicted of insurance fraud or felony use of auto.
- Drivers with a prior policy that has been non-renewed or canceled for underwriting reasons within past 36 month.
- Driver without a valid United States driver license, learner permit, or state ID card — unless National General can obtain a valid Motor Vehicle Report (MVR) — or a driver without a foreign driver license.
Note: Any official government-issued identification is accepted, including passports and Matrícula Consular ID cards, as valid proof of a foreign driver license.
- Driver with a revoked or permanently revoked driver license — unless excluded or requiring an FR filing.

Note: National General allows 30 days to obtain a valid state driver license, learner permit, or state ID card.

- Driver who is 18 years of age or older who has never been licensed or who has a permanently revoked driver license — unless excluded from coverage.
- Drivers with material misrepresentation within the past 36 months.
- Any entertainer, celebrity, professional athlete, or other nationally known person.
- Driver(s) involved in an illegal enterprise or occupation is unacceptable.
- Drivers not residing in Nevada 10 months out of the year.
- Applicants who have had a policy canceled or nonrenewed by us because of an unauthorized payment in connection with an application for insurance or a policy.
- Applicants who have knowingly threatened bodily harm or engaged in menacing behavior towards a Company employee or an authorized independent agent of the Company.
- Drivers with more than two Driving While Impaired (DWI) in the past 35 months.

Unacceptable Vehicles

The following vehicles are not eligible for coverage:

- Vehicles without a valid United States garaging ZIP Code.
Note: All vehicles on the policy are required to be garaged in Nevada 10 months out of the year.
- Vehicles regularly available to drivers who are not listed on the policy.
- Vehicles leased or rented to other drivers by the named insured.
- Vehicles not solely owned by and registered to the insured, except for a husband and wife or a parent and child relationship, or any lien from a person or financial institution.
- Vehicle garaged out of state in Michigan, District of Columbia, Hawaii, Massachusetts, New Jersey, Louisiana, or New York.
- Vehicles from more than one household listed on a single policy are unacceptable except acceptable student risks attending school in state.
- Vehicles with existing damage other than minor or cosmetic, where physical damage coverage is requested.
- Gray market vehicles.
- Vehicles that do not have a title or are not licensed for road use.
- Vehicles with an altered suspension more than 6 inches or a modified engine.
- Rent to own vehicles, rental vehicles, or short-term leased vehicles (less than six months).
- Vehicles equipped with cooking equipment or a bathroom or snow equipment.
- Kit cars; dune buggies; Bajas; buses; minibuses; camper vans; motor homes; ATV's; step vans; panel vans; custom built vehicles; antiques; classics; collector's items; reproduction models; vehicles originally manufactured for foreign use; and vehicles designed for 12 or more passengers, e.g., 12 – 15 passenger vans.
- Flatbed trucks, stake trucks, or dump trucks.
- Commercial auto types, including without limitations, step vans, and panel vans.
- Vehicles with a maximum speed less than 55 mph if it is the only motor vehicles(s) on the policy.
- PPA valued at \$150,000 or more.
- Vehicles used for Business Use or Artisan Use and:
 - Driven by employees or
 - Not owned by the named insured or spouse or
- Vehicles used for Artisan Use that visit more than two job sites a day.
- Vehicles used for Route Use — **unless** the policy is written by National General via the Rural Letter Carriers (RLC) Auto Insurance Plan.
- Vehicles used for racing, delivery, limousine, or taxi service, ridesharing, such as Uber or Lyft, or for courier or escort service or commercial pick up or delivery purposes, including but limited to delivery of magazines, pizza, food, mail (except RLC), newspaper, or farm produce.
- Postal Unit, right-hand drive vehicles, or vehicles used for driver training.
- Vehicles carrying explosives or flammable substances.
- Pickup trucks, vans, or utility vehicles with a gross vehicle weight rating (according to the manufacturer's specification) greater than 12,000 pounds. Exclusion: Farm Vehicle Group (farm trucks and farm trailers)
- Vehicles with a load capacity greater than one ton.
- Vehicles that display logos or advertising whether removable or permanent.
- Vehicles with ladder racks or supply storage racks above the roof or above the bed of a truck or van, whether removable or permanent.
- Vehicles with other than four wheels are not eligible, except dually trucks.

- Any make/model vehicle listed below:

Note: The list of specific models below is to help identify vehicles that are not accepted; however, due to the broad range of models and variations available by the manufacturers, the list is not all-inclusive.

Make	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	Lucid	All Models
		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
		Rivian	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
Jaguar	XJL	Vector	All Models
Jensen	All Models		

Coverages

The system displays available coverage limits automatically.

Liability

Accidental Death & Dismemberment (AD&D)

- An optional policy level coverage that is available for motorized vehicles on a policy with Bodily Injury coverage.
- AD&D coverage pays when an insured is killed or dismembered in a motor vehicle accident. Two plans are available:
 - The **Individual Plan** only covers the named insured.
 - The **Family Plan** covers the named insured, spouse, and any unmarried children in the household who are under 19 years of age.

Bodily Injury (BI)/Property Damage (PD)

- Requires BI/PD coverages to be written together.
- Required on policies containing a Financial Responsibility Filing.
- Requires the same limits for all vehicles on a policy.

Medical Payments

- Required on all self-propelled vehicles unless rejected in writing.
- Optional coverage.
- Requires Bodily Injury coverage.
- Requires the same limits for all vehicles on a policy.
- Coverage is per person per accident.
- Medical Payments coverage is non-stackable.

Uninsured/Underinsured

Uninsured/Underinsured Motorist (UM/UIM) Bodily Injury

- Required on all self-propelled vehicles with Bodily Injury coverage — unless rejected.
- Requires limits to equal Bodily Injury limits or highest UM/UIM limits available — unless lower limits are selected in writing.
- Limits cannot exceed Bodily Injury limits.
- Requires the same limits for all vehicles on a policy.
- UM/UIMBI coverage is non-stackable.

Broadform Insurance Endorsement

In accordance with NRS 485.186, an operator's policy of liability insurance may only be issued to a person if:

- The number of motor vehicles that the person owns is greater than the number of persons in his or her household who possess a driver's license; and
- Each person in his or her household who possesses a driver's license is covered by an operator's policy of liability insurance.

The Broadform Insurance endorsement provides liability protection for an individual who either owns or drives a private passenger type vehicle but only requires liability coverage. 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.

- Vehicles cannot be listed on the policy.
- Only one driver (the named insured) can be listed on the policy if multiple drivers are in the same household — including husband/wife — a separate policy is required to be written for each individual.
- Coverage does not extend to household members or other permissive drivers.
- Bodily Injury and Property Damage coverages are required.
- Only liability coverage is available (e.g., Bodily Injury, Property Damage, Medical Payments, Uninsured Motorist Bodily Injury).
- Coverage is not available if there is an excluded driver on the policy.
- Physical damage coverage is not allowed.
- Business Use or Artisan Use is not acceptable.
- Discounts and surcharges are applicable.
- Financial Responsibility filings are acceptable.

Physical Damage

Comprehensive/Collision

- Required on any vehicle with a loss payee.
- Not available for vehicles with a model year more than 25 years of age or a vehicle with a salvage title.
- Comprehensive coverage is required on vehicles with Collision, Additional Customized Equipment and Parts (ACEP), Towing, Rental Reimbursement, and Replacement Cost coverages.

Accident Forgiveness

Available for customers who meet the following requirements:

- No driver on the policy has any violations or chargeable accidents in the 12 months prior to the policy effective date.
- No driver on the policy has any major violations.
- No more than one chargeable accident in the 35 months prior to the policy effective date.

Accident Forgiveness is not available for policies that reinstate with a lapse.

The first at-fault accident will be forgiven.

- Rates will not be impacted by first accident.
- No surcharges will be applied.

Subsequent at-fault accidents during the experience period will cause the endorsement to be removed and points will be charged for all accidents that occurred in the previous 35 months — including the first (forgiven) accident. Only one forgiven at-fault accident can be on a policy at any given time during the experience period.

Note: Non-chargeable accidents are not considered.

If an insured requests to remove Accident Forgiveness coverage, any forgiven accident will be surcharged at renewal. If Accident Forgiveness is removed from a policy for eligibility reasons, it cannot be added back to the policy.

Additional Customized Equipment and Parts (ACEP)

Provides physical damage protection for any permanently installed add-on equipment that was not installed by the original vehicle manufacturer.

- Requires equipment to be listed on the application and the proper premium paid.
- Available for any personal auto, pickup truck, conversion van, semi, or cabriolet type vehicle with Comprehensive coverage.
- Maximum coverage is \$4,000.
- Coverage is provided up to the lesser of actual cash value, actual cost to repair, or declared value.

Diminishing Deductible

If the Diminishing Deductible policy option is chosen, every vehicle on the policy with Comprehensive and Collision coverages will have the respective Comprehensive/Collision deductibles reduced every claim-free year.

- Requires Comprehensive and Collision coverages.
 - Note:** Only Comprehensive coverage is required on a vehicle in storage.
- For every claim-free year, the deductible credit increases by 25% at each annual renewal — up to a maximum of 100%.
- Credit applies toward the Comprehensive or Collision deductible for any covered vehicle.
- Only Towing/Labor claims do not reset the deductible credit to 0%.
- Any other claim (excluding Towing/Labor) will prevent earning another 25% deductible credit at the next annual anniversary.
- The deductible credit resets to 0% for the following:
 - Comprehensive or Collision deductible is changed on any vehicle.
 - Comprehensive coverage is removed and later re-added.
 - Claim is filed within the last 12 months.
- The deductible credit does not apply when an undisclosed household driver is involved in the loss and the deductible credit is reset to 0%.

Mexico Physical Damage

Provides physical damage coverage for any accident that occurs in Mexico within 50 miles of the United States border.

- Requires Comprehensive and Collision coverages.
- Requires repairs to be completed in the United States
- Requires liability insurance from a licensed Mexico insurance company at the time of loss. Proof of coverage is required when a loss occurs.
- Does not cover towing and labor, or rental reimbursement.

Rental Reimbursement

Reimburses the insured for expenses incurred for a rental vehicle while a covered vehicle is being repaired as the result of an accident — subject to a maximum per day limit/maximum number of days per accident limit.

- Requires Comprehensive coverage on the vehicle.
- Requires the same limits for all vehicles with Rental Reimbursement coverage.

Towing & Labor

Reimburses the costs incurred for mechanical labor and/or towing to a nearby facility for each disablement on a covered vehicle — subject to a maximum limit per occurrence/per policy term.

- Requires Comprehensive coverage on the vehicle.
- Requires the same limits for all vehicles with Towing and Labor coverage.

Physical Damage Settlement Options

Actual Cash Value (ACV)

Settlement is based on current market value/actual cash value of the vehicle. ACV is computed by subtracting depreciation from replacement cost.

Original Equipment Manufacturer

- Available on motorized personal auto, pickup truck, and conversion van type vehicles with a model year that is 10 years of age or less. Coverage is removed on the first renewal after vehicle becomes 11 years of age.
- For repair of a covered vehicle, National General will specify the use of parts that are made by the original equipment manufacturer.
- For repair of a non-owned vehicle, National General may specify the use of mechanical, non-safety-related parts not made by the original manufacturer. These parts will be at least equal in terms of fit, quality, performance, and warranty to the original manufacturer parts replaced.
- Available for any vehicle with Comprehensive and Collision coverages.
- Comprehensive and Collision deductibles still apply.

Replacement Cost

Replacement cost is the current amount that is required to be paid for a new vehicle — same model year, make, model, and equipment as the covered vehicle — without adjustment for depreciation.

- Pays the cost to replace a new vehicle when there is a comprehensive or collision total loss — including theft.
- Only available when the insured vehicle:
 - Has Comprehensive and Collision coverages.
 - Is a model year that is 2 years of age or less from the current calendar year.
 - Has not been previously titled.
 - Is insured with Comprehensive and Collision Replacement Cost coverages within the first year of ownership.
- Requires the same deductibles as Comprehensive and Collision.
- If the covered vehicle is a total loss, National General reserves the right to replace the vehicle or to pay the total loss in money.
- Coverage is removed on the first renewal after a vehicle becomes 3 years of age.
- Coverage is not provided under this provision for a non-owned, temporary substitute, or rental vehicle.
- Coverage is not available for utility trailers or leased vehicles.

Discounts

The system requests any proof documentation required to retain a discount automatically.

Accident Free Claims Free

Available when all rated drivers on the policy have no violations or incidents during the past 60 months.

Advance Quote

Available for new business:

- The policy is quoted 1 to 5 days before the policy effective date or
- The policy is quoted 6 or more days before the policy effective date and
- All required rating information is provided by the customer and
- The policy has prior insurance with no lapse in coverage.

Air Bag

Available for each vehicle equipped with driver-side air bag or both driver- and passenger-side air bags.

Anti-Theft Recovery Device

Available for each vehicle on the policy equipped with an active recovery device or tracking system.
Cannot be applied in combination with any other anti-theft discount on the same vehicle.

Commercial Driver License

Available for any rated driver who:

- Has a valid, active commercial driver license.
- Performs in an occupation that requires use of the commercial driver license and drives a minimum of 15,000 miles per year for the occupation.

Credit ZIP Match

Applies when all garaging ZIP Codes match the ZIP Code returned from the credit score. The discount is not available for named non-owner policies.

DynamicDrive®

Applies to drivers participating in the National General DynamicDrive program who provide a valid email address and using a smartphone, installs the approved application.

Go Paperless

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

- If the insured endorses Paperless onto the policy mid-term, the discount is applied effective the day the insured confirms paperless as preference.
- If the insured requests to receive policy documents by conventional mail, the discount is removed.

Good Student

Available to each rated driver less than 25 years of age who 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 the 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. Proof is retained by the agent.

- Discount does not apply if the student is an Excluded driver.
- Applies to driver rating on PPA type vehicles only.

Homeowner

Available when the named insured owns the home, condominium, or townhome **or** has a Full-Timer policy.

Note: Does not include mobile homes.

In- Agency

Available when the agency writing the new National General policy is the same as the Agency of Record on any personal lines policy (e.g., home, boat, RV, motorcycle, etc.) for the previous 12 months. There can be no lapse between the new National General policy and the prior policy expiration or cancellation date.

Mobile Home

Available when the named insured or spouse owns and resides in the mobile home and the mobile home is 10 years of age or less.

Multi-Car

Available for all PPA-type vehicles on a policy when the policy covers two or more PPA type vehicles. If policy qualifies, discount applies to all PPA vehicle types.

Multi-Policy

Available when the insured has an active policy with National General or an affiliated company for one or more of the following products:

- Agency Controlled Homeowners (HO3)
- Condominium Owners (HO6)
- Homeowners (HO3)
- Motorcycle
- Renters (HO4).

Multi-Product

Available at new business when Life Insurance, and/or Auto Protection Plan are also sold at the time the Personal Auto Policy is bound.

New Vehicle

Available for vehicles on a policy when the vehicle is the latest model year.

Payment — Auto Pay, Paid In Full

Payment discounts vary based on whether installments are elected and method of payment.

- Paid in full — Available for the insured who pays 100% of the total premium at the inception of a policy term without Savings or Checking AutoPay.
- Paid in full — Auto Pay from Savings — Available for the insured who pays 100% of the total premium at the inception of a policy term with payments that transfer automatically from a saving account.
- Paid in full — Auto Pay from Checking — Available for the insured who pays 100% of the total premium at the inception of a policy term with payments that transfer automatically from a checking account.
- Installments — Auto Pay from Savings — Available for the insured who pays the premium via installments that transfer automatically from a savings account.
- Installments — Auto Pay from Checking — Available for the insured who pays the premium via installments that transfer automatically from a checking account.

Senior Driver

Available to the principal driver of the vehicle who:

- Is 55 years old or older.
- Has successfully completed a qualifying Motor Vehicle Accident Prevention Course within the past 36 months.
- Has no at-fault accidents or moving violations since completing the accident prevention course.

Note: A driver is not eligible for this discount if the course is taken because of an order or sentence imposed by the court.

Student Away at College

Available for any rated driver between 16 – 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.
- Possess a valid United States or foreign driver license.
- Has a marital status of single.

Discount does not apply for a student who is an excluded driver.

Surcharges

Artisan Use

Applies when a private passenger vehicle is used to carry tools and incidental supplies from the insured's home to a job site.

Unacceptable Artisan Use includes, but is not limited to, vehicles:

- Used in any form of pick up or delivery of goods.
- Used to transport flammable liquids, chemicals, or explosive materials.
- Owned by a corporation or partnership.
- Used to visit more than two job sites per day.
- Driven by someone other than the named insured or resident relative.

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

Business Use

Applies 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.
- Used to transport children, workers, or hotel guests.
- Used in any form of pick up or delivery of goods or property.
- With a load capacity of one ton or greater.

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

Excluded Driver

Applies when a resident licensed driver is excluded from the policy. See the [Driver Eligibility — Excluded](#) section for more information.

Revoked License

Applies to any driver who has a revoked driver license.

SR-22

Applies to any driver on a policy who has a Financial Responsibility Filing (SR-22 or FR-44) issued by National General.

Suspended License

Applied to any driver who has a suspended driver license but does not require a financial responsibility filing.

Unacceptable Risk

Applied when an unacceptable driver or vehicle is endorsed onto a policy that cannot be canceled or declined mid-term. The policy will be non-renewed.

Unverifiable Driving Record

Applied when a driver:

- Has only a foreign or international driver license (including Puerto Rico) **or**
Note: An official government issued identification is acceptable proof of foreign driver license, (e.g., a Matrícula Consular ID card or a passport).
- Is 20 years of age or older and cannot verify 24 months on MVR or
- Is 19 years of age and cannot verify 12 months on MVR.

Driver with a learner permit will not receive surcharge during first 12 months of the policy term. The surcharge may be assessed at the annual anniversary if an MVR cannot be obtained.

Quote Information

Accidents and Violations

Experience Period

The chargeable experience period is 35 months or less prior to the policy effective date. The conviction date is used for violations and the occurrence date is used for accidents.

Accident Threshold

Threshold	Amount
Non-Threshold Incidents	\$0
Comprehensive Coverage	\$1,001
Property Damage	\$500
Injury	\$500

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 parked legally 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.
 - Insured's vehicle was struck by a "hit-and-run" driver and the accident was reported to proper authorities 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 the accident was 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 a 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

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

No one is denied coverage based on credit history.

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

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.

SR-22 Filings

An SR-22 is required under certain circumstances (e.g., as a result of a DUI, DWI, or other serious moving violation). National General files an SR-22 form with the state to confirm liability coverage for a specified driver. Drivers requiring an SR-22 filing cannot be excluded.

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

Underwriting Tiers

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

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

At the inception of a 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
- Total number of non-chargeable incidents
- Prior or current Bodily Injury Liability limits
- Insurance score
- Age of named insured 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, Key Insurance, or Claro Insurance (AE Specialty, Inc. — a subsidiary of American European Insurance Company) policy is not acceptable POP.

If the required proof is not received within 21 days of the policy inception date, POP will be removed. If POP is received within 45 days, proof will be applied effective back to the policy inception date. If POP is received more than 45 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.

The following reasons are acceptable for not having POP:

- Family Exception — Insured is listed on a family member's auto policy as a driver for the required amount of time. A Declarations Page showing this driver for the applicable time period should be produced as proof.
- Military Exception — Insured is required to have insurance in-force at the time of deployment and is required to purchase a new policy upon returning to the United States.
- Named insured formerly maintained liability coverage on a vehicle but subsequently voluntarily surrendered the vehicle's license plate to the office of motor vehicles and ceased to maintain a policy of insurance or other security as required by the Motor Vehicle Safety Responsibility Law.

If the customer meets any of the above reasons for not having insurance, quote/bind the policy as having no days lapsed and formerly maintained limits, or minimum limits if not provided, as prior Bodily Injury. Document the reason for the exception in the policy notes. Request the customer send a letter within 48 hours stating the specific reason(s) continuous liability coverage was not required to maintained.

Failure to submit proof will result in re-tiering the policy to No Prior.

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.

The named insured or spouse is required to have a valid United States driver license, state issued ID card or foreign/International driver license.

Note: An official government issued identification is acceptable proof of foreign driver license (e.g., a Matrícula Consular ID card or a passport).

All residents in the household, or anyone who regularly drives any vehicle listed on the policy 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 is at least 14 years of age and has a driver license or learner permit or was previously licensed.
- Any non-household member who regularly drives any of the vehicles on the policy at least three or more times consecutively or cumulatively during a policy period.
- 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.

Individuals who have a revoked or permanently revoked driver license are unacceptable risks — **unless** excluded.

Listed

Listed individuals on the application are only noted on the policy and are not included in calculation of the average driver factor.

Listed individuals include any person on the application who:

- Does not have a driver license or learner permit.
- Is at least 14 years of age, but less than or equal to 17 years of age.
- Does not operate a vehicle.

Note: A listed individual who obtains a learner permit or driver license **or** turns 18 years of age, can no longer be classified as Listed. Individuals who are at least 14 years of age but less than 18 years of age and operate the vehicle, are required to be rated or excluded.

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.
- Only one named insured is allowed to be listed as a driver on the policy. 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

National General uses Average Driver Factor for driver assignment and to determine the rate per vehicle. The Average Driver Factor is based on driver classification, violation and accident activities, discounts and surcharges, and activities by age factor by driver.

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 who are 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 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.

All vehicles on the policy are required to be garaged in Nevada at least 10 months of the year.

The following are exceptions:

- Students away from home who attend college in another state without driving any listed vehicle or who attend college in Nevada with a listed vehicle if the garaging address for that vehicle is the college address.
- 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

Out-of-State Risks

An out-of-state risk is a student or member of the United States Military who:

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

To be an acceptable risk:

- All vehicles on the policy are required to be garaged in Nevada a minimum of 10 months of the year.
- Liability limits are required to equal or be greater than minimum required out-of-state limits and
- UMBI limits are required to equal liability limits.

Unacceptable states are District of Columbia, Hawaii, Louisiana, Massachusetts, Michigan, New Jersey, and New York and outside the United States

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.

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:

- Agent has obtained adequate information to accurately rate the risk and has done so.
- Application and all applicable forms and documents are completed and signed by the applicant and the appointed agent.
- 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 the underwriting materials to other agents or brokers or to accept applications for risks that have been underwritten or serviced outside the agency. 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 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 binding 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.

Misrepresentation of Risk

Misrepresentation of a risk is insurance fraud. Each applicant has the responsibility and obligation to complete an application for insurance truthfully 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 a 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 vehicle(s) or driver(s) is not listed in the program as an unacceptable risk.
- Ensure 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 (CLUE), credit reports, vehicle history reports, and other available reports to assist in verifying information and rating a 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 served best 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 is required prior to the renewal effective date. 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 agent is licensed to write business.

Undeclared Drivers

If 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 the agency policy system at www.natgenagency.com.

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

Certain types of endorsements are 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.

Insured Requested

Insured requested cancellations are calculated pro rata.

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.

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 is a total loss and National General retains the salvage vehicle, the vehicle is deleted from the policy the day after the loss. If the total loss vehicle is the only vehicle on the policy, a letter is sent to the insured asking for 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 plus a cancellation fee.

Reinstatements

Policies are not eligible for reinstatement.

In certain scenarios, an exception may be considered to allow non-pay cancellation reinstatements with no lapse in coverage. To be considered for this exception, NEW photos of the odometer reading and all four sides of every policy vehicle with liability and/or full coverage is required to be submitted within 7 calendar days of the policy cancel date. The preferred method is to upload the photos through NPS and an alternate method is to email the photos to Service@ngic.com. Reinstatement exceptions cannot be processed 11 or more calendar days after the policy cancellation date. Reinstatements with a lapse in coverage are not available. A maximum of two reinstatements are permitted per policy term.

Upon internal review, notice of approval or denial of the reinstatement will be provided. When approved, a verbal statement of no loss from the customer and a credit card payment for the amount due to reinstate will be required.

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.

Consider the following noteworthy information regarding reinstatement exceptions.

- Providing false information may result in coverage denial. National General reserves the right to cancel the policy retroactively to the original cancellation date.
- National General retains the right to require additional evidence or information, and in certain cases, may decline the reinstatement request directly. It is essential to note that failure to provide the additional evidence may result in the customer losing eligibility to reinstate the policy.

Renewals

A renewal offer will be sent to the named insured prior to the policy expiration date and according to statutory requirements. 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

Six-month term policies are offered 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, or electronic 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, credit or debit 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 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

Acquisition Expense

A fee is charged to cover the cost of acquiring, setting up, and renewing a policy.

- 6-Month Policy \$35
- 12-Month Policy \$70.

Endorsement

A \$5 fee is charged for any endorsement that alters the premium.

Note: Endorsements made within 72 hours of the new business effective date are not charged the fee.

FR Filing

A \$25 fee is charged for each person on a policy for whom a Financial Responsibility SR–22 filing is made.

Installment

A \$5 fee is included in the installment amount for Electronic Funds Transfer (EFT)/Auto Pay – Checking/Saving payment method. A \$12 fee is included in the installment amount for Electronic Funds Transfer (EFT)/Auto Pay – Credit Card and all other payment methods.

Late

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

Motor Vehicle Record (MVR) Fee

A \$5 fee is charged for each MVR ordered at new business, renewal, and endorsement that results in a match or hit.

Non-Sufficient Funds

A \$35 fee is charged for all returned checks that were not honored by the bank.

Reinstatement

A \$15 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 To Do 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 is 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 To Do requires documentation be submitted to National General, uploading documents through the policy system is the fastest and easiest way to ensure immediate receipt of policy documents.

ePosting

At new business, the policy contract and all amendatory endorsements that do not contain the insured's personal information are posted online via the self-service portal. Any forms that are revised or added to the policy due to an endorsement or renewal **and** do not contain the insured's personal information is added to the ePosting Forms PDF Packet.

Customers can go to the agency policy system to view, print, and save the policy documents in the ePosting Forms PDF Packet.

Note: The cover letter and Declarations Page will advise the insured how to access the policy documents.

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 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.

Customer Self-Service

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

Note: Registration is a one-time process required for the insured to set up an 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 Vendor eSign

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

When an insured does not eSign the documents within 3 days of receiving the email, the New Business Packet is printed and mailed 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 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.