

California

Personal Auto — Summit Program

Revised April 20, 2021



UNDERWRITING & PRODUCT GUIDE

*Underwritten by: Integon National
Insurance Company*

National General 
Auto, Home & Health Insurance

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Contact Information

Agency Policy System www.natgenagency.com

Click to Chat is available on the Policy Summary screen.

Customer Service

Customer Service Phone Number 1-877-468-3466

Customer Service Fax Number 1-877-849-9022

Customer Service e-Mail service@ngic.com

Online Service www.mynatgenpolicy.com

Your customers can:

- ✓ View driver, vehicle, and coverage information
- ✓ Make a payment
- ✓ Request an ID Card

Claims Services

Report a New Claim (Available 24/7) 1-800-468-3466

Discuss a Pending Claim 1-888-233-4575

Commissions commacct@ngic.com

Addresses

Correspondence

National General Insurance
PO Box 3199
Winston-Salem, NC 27102-3199

Payments

National General Insurance
PO Box 89431
Cleveland, OH 44101-6431

Overnight Payments

National General Insurance
Attention: Lockbox Operations
800 Superior Ave E
Cleveland, OH 44114

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

Risk Acceptability

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

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

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

Geographic Zones

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

Geographic Zone Rules for Military Personnel

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

Unacceptable Risks

Multiple National General Insurance policies in the same household are unacceptable **unless**:

- A child owns their own vehicle **or**
- Unrelated residents/roommates are living in the same household.

Note: If two National General Insurance policies are written in the same household, the driver with lower limits must be 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 Insurance policy should be listed on the National General Insurance policy as Other Insurance.

Unacceptable Drivers

The following drivers are ineligible for coverage:

- Drivers who are under the minimum state licensing age.
- Drivers with a currently revoked driver license that will not be reinstated with an SR-22 filing.
- Drivers with a felony conviction involving the use of an automobile — **until** they qualify for a Good Driver policy.
- Drivers with more than two drug- and/or alcohol-related vehicle convictions in the past 36 months.
- Drivers who have had more than two principally at-fault accidents in the past 36 months.
- Drivers who have more than 30 points.
- Former policyholder who has had coverage canceled and rewritten more than twice in the past 36 months — **unless** policy is prepaid.
- Former policyholder who has an unpaid balance due — **unless** the balance due is submitted in addition to the required down payment.
- Drivers with a permanently revoked or canceled driver license — **unless** that driver is excluded from coverage.
- Drivers who have been convicted of insurance fraud.
- Named insured who is under 18 years of age — **unless** parent or guardian signature accompanies the insured's signature on all areas of the application.
- Drivers who have been convicted of vehicular manslaughter, criminal negligence, or negligent homicide.

Unacceptable Vehicles

The following vehicles are not eligible for coverage:

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

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

Vehicles Unacceptable for Physical Damage Coverage

When a vehicle is classified as unacceptable and the policy qualifies as a Good Driver policy, a completed inspection form is required to write Physical Damage coverage as described in the [Risk Acceptability](#) section.

The following vehicles are unacceptable for Physical Damage coverage:

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

Unacceptable Vehicle Usage

Vehicles used for any of the following are unacceptable:

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

- Any make/model vehicle listed below:

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

Coverages

The system will automatically display available coverage limits.

Liability

Bodily Injury/Property Damage

- Limits must be the same for all vehicles on a policy.
- Required on all motorized vehicles on a policy.
- 15/30/5 (10) are the only limits available.
- Bodily Injury and Property Damage coverages must be written together.
- Required on all motorized vehicles on a policy when a Financial Responsibility Filing is requested.

Medical Payments

- An optional coverage that pays for reasonable medical and funeral expenses incurred by the insured, family members, and passengers as a result of an auto accident — regardless of fault.
- Limits must be the same for all vehicles on a policy.
- Bodily Injury coverage is required.
- Limits are per person per accident.

Uninsured/Underinsured

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

- Required on all motorized vehicles with Bodily Injury coverage — **unless** rejected in writing.
- Limits cannot exceed Bodily Injury limits.
- Limits must be the same for all vehicles on a policy.
- Bodily Injury/Property Damage coverages are required.

Uninsured Motorist Property Damage

- Required on all motorized vehicles with Property Damage coverage — **unless** rejected in writing.
- If selected with Collision, UMPD becomes the Collision Deductible Waiver.
- \$3,500 (3.5) is the only limit available.

Physical Damage

Comprehensive/Collision

- Vehicles with model year more than 30 years old are not eligible for Comprehensive and/or Collision coverage — **unless** all drivers on the policy are Good Drivers.
- Comprehensive coverage is required on any vehicle with a Loss Payee.
- Different deductibles are allowed.
- Storage is not permitted.
- Collision coverage requires Comprehensive coverage on the policy.

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.

- Comprehensive and Collision coverages are required on the vehicle.
- Limits must be the same for all vehicles on a policy.

Double Deductible

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

Example:

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

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

Club DentPro

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

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

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

National Roadside and Towing Services

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

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

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

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

Discounts

The system will automatically request proof documentation required to retain discount.

Good Driver

A discount will be given on all coverages for drivers who qualify as a Good Driver. To qualify as a Good Driver:

- Driver of the insured vehicles must be continuously licensed for the prior three years with a minimum of 18 months U.S. or Canada driving experience and a minimum of three years total driving experience.
- When an applicant submits a copy of a foreign driver license to obtain the Good Driver Discount, contact the California Product Manager on how to process the discount.
In order to use a foreign driver license to qualify for the Good Driver Discount, we must receive a copy of the foreign driver license showing the following information:
 - Country issuing the driver license
 - Driver license issue date and expiration date
 - Driver name and date of birth.
- During the previous three years has not:
 - Had more than one DMV point determined as follows:
 - Count one violation point for each violation point that has been assessed by the California Department of Motor Vehicles under California Vehicle Code Section 12810, Subsections (a), (b), (c), (d), (e), (g), and (h) for traffic violation convictions with conviction dates not more than three years preceding the effective or renewal date of the policy and that have not been made confidential under the California Vehicle Code.
 - For violations not occurring in California, one violation point will be counted for each violation point that would have been counted had the violation occurred in California.
 - Count one violation point if a driver was involved in an accident that resulted only in damage to property if the driver was principally at fault in the accident. A driver may also be determined to be principally at fault for such accident where the accident was a solo vehicle accident, subject to the exceptions as described in the not-at-fault accident section.
 - Been found to be in violation of Section 23140 of the Vehicle Code.
 - Been the driver of a motor vehicle involved in an accident that resulted in the bodily injury or death of any person and was principally at fault. Refer to definition of 'principally at fault'.
- During the previous ten years has not been convicted of:
 - A violation of Section 23140, 23152, or 23153 of the Vehicle Code.
 - A felony violation of Section 23175 or 23190 of the Vehicle Code.
 - A violation of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the penal Code. Section 3 only applies to violations occurring after January 1, 1996.

In order to qualify for the discount, we require proof that no injuries resulted from any accident shown on the application or Motor Vehicle Record.

Mature Driver

Available when the principal driver of a vehicle:

- Is 55 years of age or older **and**
- Has successfully completed a qualifying Mature Driver Improvement course within 36 months of the policy inception date **and**

Note: A driver is not eligible for this discount if they take the course as a result of an order or sentence imposed by the court.

- Has no accidents or violations in the previous 36 months.

The discount will be removed if the driver is involved in an at-fault accident or convicted of a moving violation or an alcohol/narcotics-related violation within three years after course completion.

The course must be taken every three years to continue eligibility for the discount.

Applied to extra vehicles on the policy when all drivers on the policy qualify for the discount.

Multi-Car

Available to all vehicles on a policy when:

- A policy covers more than one PPA-type vehicle **and**
- All vehicles must be listed on the same policy and primarily driven by persons living in the same household.

Named Driver and Named Auto Endorsement

Coverage is only provided to the named insured and Rated drivers listed on the Declarations Page. When a driver who is not listed on the Declarations Page is driving an insured vehicle, Comprehensive and Collision coverages are not provided.

There is no coverage when driving a vehicle that is not listed on the policy (with permission or otherwise) — including rental cars. For example, if the insured borrows a vehicle, or rents a vehicle, or gets a loaner from a dealership, there is no coverage on that vehicle.

Persistency

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

Surcharges

Business Use

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

Quote Information

Accidents and Violations

Experience Period

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

Accident Threshold

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

Not-at-Fault Accidents

Acceptable proof of not-at-fault is:

- A copy of the police report or court documents indicating less than 51% responsibility.
- A letter from the previous carrier.
- A copy of a claims draft payable to the insured.
- 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.

Exception: When the parked vehicle rolls from the parked position, the person who parked the vehicle is responsible.
 - Insured was reimbursed 51% or more of the property damage loss by, or on behalf of, the person responsible for the accident or has a judgment against such person for 51% of the property damage loss.
 - 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.
 - Insured was not convicted of a moving traffic violation in connection with the accident; driver of the other vehicle involved in the accident was convicted of a moving violation in connection with the accident.
 - Accident was caused by flying or falling objects such as flying gravel, missiles, or falling objects.
 - Accident was caused by contact with animal or fowl.

Exception: Accidents caused as a result of swerving to avoid hitting an animal or fowl are at-fault.
 - 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.
 - Accident was a solo vehicle accident that was principally caused by a hazardous condition that a driver would not have noticed or could not have avoided.

Keep these documents in your agency files.

Vehicle History Rating

National General Insurance will obtain a Vehicle History Report — based on Vehicle Identification Number (VIN) — from AutoCheck (a part of Experian). A vehicle history score/code is assigned based on characteristics found in the report. The following are a few 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).

A customer can request a copy of their Vehicle History Report from the AutoCheck Insurance Client Help Desk at 855-568-2664.

SR-22 Filings

An SR-22 filing fee per filing will apply to each term in which a filing is maintained. The fee is fully earned in the event of cancellation. Each individual requiring a filing will be charged a fee. A policy with an SR-22 must include Bodily Injury coverage. All vehicles owned by the driver requiring the filings must be listed on the policy. National General Insurance files an SR-22 form with the state to confirm Liability coverage for a specified driver. The name on the filing must appear exactly as it reads on the driver license. Filings are not available for a driver with an unverifiable driving record. Filings are only provided for California. Drivers requiring an SR-22 filing cannot be excluded.

Note: Storage Protection is not available when there is a driver on the policy who requires an SR-22. All vehicles listed on the policy must retain Liability coverage.

Driver License Status and Types

Revoked/Suspended, Canceled License

- Drivers with a temporarily revoked, suspended, or canceled driver license at any time during the chargeable violation period will be considered for rating.
- Drivers with a foreign driver license will be considered for rating.
 - Note:** Matricula Consular Cards are valid proof of foreign driving experience.
- Drivers with an expired driver license will be considered for rating as long as National General Insurance can obtain the Motor Vehicle Report.
- Drivers with a permanently revoked driver license are not an acceptable risk. The driver must be Excluded for us to accept other household members on the policy.

Learner Permit

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

Driver Eligibility

- All drivers of the vehicles to be covered and all household members age 14 and older must be disclosed on the application whether they are licensed or not.
- All household members of legal driving age, all frequent operators, and children who live away from home and drive the vehicles, must be Rated or Excluded. Children who live away from home is defined as the insured's dependent children who drive the insured's vehicles during regular visits.
- All household members or non-household members who drive a listed vehicle must be Listed or Excluded.
- The registered owner of the insured vehicles, if a person, must be Rated or Excluded.
- Corporations, partnerships, estates, and receiverships are not acceptable as a named insured.
- Anyone who regularly drives any vehicle listed on the policy (defined as at least ten percent of that vehicle's usage) must be Rated or Excluded.

Exception: At renewal, in-force policies will renew with the current driver status — including Listed, Non-Driver, or Other Insurance. Only Rated and Excluded driver statuses are available for new business policies and when endorsing a new driver on the policy.

Rated

At least one named insured or spouse must be a Rated driver. All Rated drivers are evaluated in the various rate calculations.

Rated drivers *may* include:

- Any **household** member who has a U.S. or foreign driver license (valid, suspended, or expired) or learner permit **or** who is 16 years of age.
Note: Matrícula Consular Cards are valid proof of foreign driving experience.
- Any **non-household** member who regularly drives any of the vehicles on the policy at least ten percent of the vehicle's usage.
- Any driver requiring an SR-22 filing.
- Drivers who have a revoked driver license **and** who do not have an FR Filing must be excluded.

Excluded

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

Exception: Individuals requiring a Financial Responsibility filing.

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

A driver who is never licensed in U.S. or a foreign country is unacceptable and must be Excluded.

Note: Matrícula Consular Cards are valid proof of foreign driving experience.

Driver Exclusion Endorsements

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

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

Named Non-Owner Policy

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

- Coverage only applies to non-owned vehicles that are not available for regular use.
- If the named insured is married, the spouse is the only other driver who may be covered on the policy.
- 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.
- Financial Responsibility filings are acceptable.
- Business Use or Artisan Use is not acceptable.
- Discounts and surcharges are applicable.

Vehicle and Driver Assignment

Policy premium is determined by assigning the highest rated driver to the highest rated vehicle, second highest rated driver to second highest rated vehicle, and so on.

Highest rated driver refers to the driver whose years driving experience, sex, marital status, and points develop the highest premium. If there are more vehicles than drivers, rate each additional vehicle with the 'excess vehicle' factors for variables related to the driver.

Driver Marital Status

National General Insurance 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.

California recognizes domestic partnership for same-sex and different sex couples. Insureds who advise they have a Certificate of Domestic Partnership should be rated as married. The June 26, 2015, U.S. Supreme Court ruling regarding the right to a same-sex marriage did not invalidate or change any of the California Family Code sections related to registered domestic partners.

The following items are acceptable proof that marital status is married:

- Certified copy of marriage license.
- Joint state or federal tax filing — must be current year or prior year filing.
- Utility bill in both names and billing date within the past 90 days. (Examples of utility bill include gas, electric, water, cable, telephone [including cell phone]).

Important: Verify that the address on the utility bill and the garaging address on the policy are the same.

A photocopy of the proof is acceptable.

Garaging Location

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

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

The following are exceptions to the same location rule:

- Students away from home at school with a vehicle titled in the insured's name.
- Members of the U.S. 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 U.S.

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 **and**
- Garages an insured vehicle in that state, but permanently resides in California.

To be an acceptable risk:

- At least one vehicle on the policy must be garaged in California a minimum of ten months of the year **and**
- Liability limits must equal or be greater than minimum required out-of-state limits **and**
- UMBI limits must equal Liability limits.

Unacceptable states are District of Columbia, Hawaii, Massachusetts, Michigan, New Jersey, and New York and outside the U.S.

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.

Prior Damage/Vehicle Inspection

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

Annual Mileage

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

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

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

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

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

Vehicle Usage

Pleasure/Commute

Means personal use with weekly mileage total.

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

Business/Artisan

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

Transaction Guidelines

Binding New Policies

An Agent in good standing with National General Insurance 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 must be submitted within 96 hours of the policy effective date.

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

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

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

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

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

National General Insurance 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 Insurance 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 your office. Violations will result in immediate termination of the agency agreement.

MVR/Loss History Reports Chargeback Process

At the close of each month, we review all quotes that included an order of a Motor Vehicle Report (MVR) and/or Loss History Report. We then use the total number of quotes with reports ordered 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.

We run the comparison between the bound percentage and chargeback threshold two months in arrears. This ensures the agent has time to bind any outstanding quotes with a report ordered. As an example, chargebacks on the commission statement in June are charged for reports ordered on unbound quotes in April.

The chargeback calculations are done at the state and product level. The agency's monthly commission statement will reflect any MVR/Loss History Report chargebacks.

Hazardous Weather Binding Restrictions

If a hurricane, tropical storm, tornado, hail storm, 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, you must 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 Insurance 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 and/or drivers are not listed in our program as an unacceptable risk.
- Make sure the applicant understands and answers all questions. Ask the applicant all questions on the application concerning business use, prior vehicle damage, past insurance fraud, and felonies.
- Inform the applicant that National General Insurance uses MVRs, C.L.U.E., credit reports, vehicle history reports, and other available reports to assist in verifying information and rating the policy.
- All losses and accident activity — both at-fault and not-at-fault — must 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

We believe that insureds and Agents are best served by renewing existing policies with the Agent who produced the policy; therefore, we do not encourage changing Agent of Record. When an insured insists on changing Agents, we require a request to change the Agent of Record signed by the insured **prior to the renewal effective date**. Agent of Record changes will be effective at renewal and cannot be made midterm.

Policies written directly through National General Insurance **cannot** be transferred to an Agency policy via an Agent of Record form. The policy must be written as a new business policy in your Agent code and in a company in which you are licensed to write business.

Undeclared Drivers

In the event we discover a previously undeclared driver, National General Insurance reserves the right to make appropriate policy and coverage changes. In addition, failure to report all drivers to National General Insurance may constitute material misrepresentation of risk and can result in denial of a claim.

Endorsements

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

Premium adjustments resulting from policy changes will be made at the time of endorsement or incorporated into future installment bills. If all installment payments have been received, premium adjustments will be billed or credited directly to the insured. Premium for the endorsement is based on the rates in effect at the inception date of the policy.

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

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

Cancellations

Flat Cancellations

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

- National General Insurance 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 Insurance policy. A copy of the Declarations Page from the other policy and the named insured's written request must 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 must request the cancellation.

A Cancellation fee is not charged for a flat cancellation.

Insured Requested

Insured requested cancellations are calculated pro rata and are reduced by a Cancellation fee. This fee is fully earned and no commission is paid on the fee. The Cancellation fee requires the equity date to adjust by the amount of the fee throughout the policy period.

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

The cancellation effective date can be:

- Ten days or less in the future
- Thirty days or less in the past.

Note: When the cancellation effective date is more than 30 days in the past, you must send National General Insurance 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 Insurance retains the salvage vehicle, we will delete the vehicle from the policy the day after the loss. If the total loss vehicle is the only vehicle on the policy, we will send a letter to the insured requesting them to provide replacement vehicle information or advise if they wish to cancel the policy.

Company Requested

Cancellation for Non-Payment

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

If the initial down payment is non-sufficient or dishonored, the National General Insurance 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.

Underwriting Cancellation

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

Non-Renewal

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

Reinstatements

Policies may be eligible for reinstatement, with no lapse in coverage, within 15 days of a cancellation or expiration date. Renewal policies may be eligible for reinstatement, with a lapse in coverage, within 15 – 30 days after the cancel date. In addition, certain criteria must be met in order to reinstate a policy, such as providing a statement of no loss, satisfactory payment, and outstanding proof documentation, if applicable.

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

Renewals

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

Renewal Down Payments

The renewal down payment must be received prior to the renewal effective date to ensure no lapse in coverage.

Billing, Payments, and Fees

Term of Policy

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

Payments

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

All refunds are mailed directly to the insured.

When an Agent accepts an insured's check, it should be made payable to National General Insurance or the agency. When an insured's check is made payable to National General Insurance, 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 Insurance will reimburse the Agent — including any associated bank fees up to a maximum of \$25. Agent notification must be received at National General Insurance 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, American Express, and MasterCard credit card or debit card, agent sweep, or electronic check
- Installment Payment — VISA, Discover, American Express, and MasterCard credit card or debit card, agent sweep, or electronic check
- Electronic Funds Transfer (EFT)/Auto Pay — VISA, Discover, American Express, or MasterCard credit card, checking account, or savings account.

Electronic Funds Transfer (EFT)/Auto Pay

If the Electronic Funds Transfer (EFT)/Auto Pay payment method is available, an insured may complete a National General Insurance 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 Insurance 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 Insurance will continue drafting based on the current draft schedule until the revised statement is issued.

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

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

Broker Returned Payments

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

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

Electronic Withdrawal Not Honored

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

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

Fees

California Vehicle Assessment and Fraud

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

Cancel

A \$50 fee will be charged when a customer cancels their policy before the renewal date. Early cancellation can be by customer request or due to nonpayment.

Convenience

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

Endorsement

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

Financial Responsibility (FR) Filing

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

Installment

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

Electronic Funds Transfer (EFT)/Auto Pay	
Checking/Saving	\$ 4.00
Recurring Credit Card/Debit Card	\$12.00
Direct Bill	\$12.00

Late

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

Non-Sufficient Funds

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

Policy

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

Reinstatement

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

Document Retention and Review Requirements

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

All agency records pertaining to the business of National General Insurance are open for evaluation and inspection during routine reviews. Upon request, you 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 an Agency ToDo requires documentation be submitted to National General Insurance, uploading documents through the system is the fastest and easiest way to ensure we receive the customer's documentation immediately.

Go Paperless

Enroll your National General Insurance customers in paperless document delivery — adding value for your customer and reducing calls to your office.

Paperless document delivery provides the insured immediate access to Declaration Pages, Policy Booklets, endorsements, renewals, invoices, and other documents.

Note: The insured will continue to receive a printed cancellation notice delivered by the U.S. Postal Service.

The only requirement for an insured to Go Paperless is a valid e-mail address.

When the insured chooses to Go Paperless, they will receive a welcome e-mail advising them to complete the self-service registration. If the insured does not complete the self-service registration and accept the terms and conditions within three days, they will be removed from Go Paperless and all policy documents will be sent to them by the U.S. Postal Service using the address on their policy.

eSignature

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

The following eSign options are available:

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

Note: The eSign options are only available for new business point of sale documents requiring a signature. The eSign 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 e-mail 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 e-sign 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 e-sign the documents within 3 days of receiving the e-mail, the New Business Packet will be printed and mailed to them via the U.S. Postal Service using the address on the policy. Failure to submit the requested information to National General Insurance could result in an increase in policy premium or even cancellation of the policy.

Unique URL/PIN Authentication

The insured must provide a valid email address during the quote process; to receive eSignature text messages, a valid cell phone number must 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 must 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 U.S. Postal Service using the address on the policy. Failure to submit the requested signature documents to National General Insurance could result in an increase in policy premium or even cancellation of the policy.

Agent/Broker Vendor and eSign Process

When your new business customers choose to sign POS document electronically, you can use your own eSign vendor. (Contact your Marketing Representative for a list of eSign vendors accepted by National General Insurance.)

You are responsible for obtaining the signature on all documents that must be signed — regardless of the signature option selected by the insured. In the event the insured does not electronically sign documents that require a signature, you must get the printed documents signed and retain those documents in your customer file.