



**Private Passenger Automobile Program**

# **Agency Manual – Elite Program**

# ***FLORIDA***

August 2022

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# AssuranceAmerica Insurance Company

## PRIVATE PASSENGER AUTOMOBILE PROGRAM

### Florida Agency Manual

#### QUICK REFERENCE

|                                   |   |
|-----------------------------------|---|
| SUPPLIES AND AGENCY CHANGES ..... | 3 |
| CLAIMS .....                      | 3 |

#### UNDERWRITING GUIDELINES

|                            |   |
|----------------------------|---|
| BINDING AUTHORITY .....    | 3 |
| WEATHER RESTRICTIONS ..... | 3 |
| UNACCEPTABLE RISKS .....   | 4 |

#### GENERAL INFORMATION

|  |   |
|--|---|
| COMMISSIONS .....                      | 5 |
| POLICY PERIOD .....                    | 5 |
| NEW BUSINESS .....                     | 5 |
| APPLICATIONS .....                     | 5 |
| ENDORSEMENTS .....                     | 5 |
| RENEWALS .....                         | 6 |
| FINANCIAL RESPONSIBILITY FILINGS ..... | 6 |
| CANCELLATIONS .....                    | 6 |
| REINSTATEMENTS .....                   | 7 |
| DRIVERS .....                          | 7 |
| VEHICLES .....                         | 7 |
| POLICY CHANGES .....                   | 8 |
| PREMIUM FINANCING .....                | 8 |

#### AVAILABLE COVERAGES

|   |    |
|---|----|
| BODILY INJURY .....                       | 9  |
| PERSONAL INJURY AND PROPERTY DAMAGE ..... | 9  |
| MEDICAL PAYMENTS .....                    | 9  |
| UNINSURED MOTORIST .....                  | 9  |
| PHYSICAL DAMAGE .....                     | 9  |
| LOSS OF USE .....                         | 9  |
| TOWING AND LABOR COVERAGE .....           | 9  |
| SPECIAL EQUIPMENT .....                   | 10 |
| ACCIDENTAL DEATH AND DISMEMBERMENT .....  | 10 |
| NON-OWNERS COVERAGE .....                 | 10 |
| SUBSTITUTE VEHICLE COVERAGE .....         | 10 |

#### VIOLATIONS/ACCIDENTS

|                                       |    |
|---------------------------------------|----|
| ACCIDENTS .....                       | 11 |
| POINT SCHEDULE .....                  | 11 |
| VIOLATION CATEGORIES .....            | 12 |
| UNDERWRITING EXPERIENCE REPORTS ..... | 13 |

#### DISCOUNTS & SURCHARGES

|                  |       |
|------------------|-------|
| DISCOUNTS .....  | 13-15 |
| SURCHARGES ..... | 15    |

#### PAYMENT OPTIONS

|                              |    |
|------------------------------|----|
| PAY PLANS .....              | 16 |
| DIRECT BILL PROCEDURES ..... | 16 |
| FEES .....                   | 17 |

# QUICK REFERENCE

## SUPPLIES AND AGENCY CHANGES

Company forms, unless otherwise noted, may be photocopied for use. Any additional supply requests should be directed [marketing@aainsco.com](mailto:marketing@aainsco.com) or our supply request line at (800) 450-7857 x3. Please notify the Marketing department of any address, telephone, facsimile, agent or ownership changes promptly. Please remember that the Producer Agreement between the Agency and AssuranceAmerica is not automatically transferred or extended upon agency sale or merger. Notification of changes to the Marketing department will help ensure continuation of binding authority.

## CLAIMS

Agents must immediately notify the Company of all losses reported by insureds or claimants. Immediate notification of all liability losses helps reduce damages. All losses should be reported directly to our 24-hour Claims Reporting Center at any of the numbers listed below:

(888) 223-8409  
(888) 580-8134  
(678) 996-0110

All Claims correspondence should be addressed to:

PO Box 725009  
Atlanta, GA 31139-0009

# UNDERWRITING GUIDELINES

## BINDING AUTHORITY

Binding applies to new business applications provided any application meets the published underwriting guidelines and is submitted without omissions and with the required down payment. Binding applies to endorsements provided any endorsement request is completed and submitted with the required down payment. If an additional premium endorsement is submitted without acceptable down payment, binding becomes effective upon company issuance.

Any application or endorsement submitted which does not meet the specified underwriting guidelines outlined in this manual, or submitted with omissions or without the required down payment will not be bound unless the Company chooses to accept the risk.

If your Producer Agreement grants Binding Authority, binding is granted from the effective date and time of the application, including Saturdays, Sundays and legal holidays. Unless the application or endorsement has been uploaded within three (3) days of the date signed by the applicant or the agent (in the case of endorsements that do not require an applicant's signature), coverage will be bound effective 12:01AM Standard Time on the date after the application is uploaded.

## WEATHER RESTRICTIONS

Binding authority for physical damage coverages is strictly withdrawn, and deductibles may not be lowered, in the following situations:

1. When the National Weather Service issues a hurricane, tornado, flood, or other similar natural disaster "watch" or "warning" within 100 miles of the location of the proposed risk.
2. For the 72 hour period following the National Weather Service lift of a hurricane or tornado "watch" or "warning" unless each automobile for which physical damage coverage is to be bound is personally inspected by the producer and all vehicles are found to be in operable condition, with no existing damage. Comprehensive photos of the vehicle must be provided at the time the application is submitted (left-front and right-rear angles).

## UNACCEPTABLE RISKS – Applicable to new and renewal business – unless noted otherwise

\*\*\* DO NOT BIND \*\*\*

### UNACCEPTABLE OPERATORS

1. Any risk whose license is cancelled or revoked without an SR22 filing. License suspensions are allowed
2. Any Named Insured under the age of 18
3. Any operator with daylight, to/from school, business, or to/from medical driving restrictions
4. Insureds not residing in Florida at least 10 months of the calendar year
5. Military risks not stationed in Florida
6. Any operator with physical or mental impairments but only if such impairments substantially compromise such operator's mechanically assisted driving ability
7. Any driver with > 12 points
8. Any driver with a DUI/DWI, narcotics, drug or felony conviction
9. Any operator having two or more claims with AAIC. Applicable to new business only.
10. Any operator who has been previously convicted of committing insurance fraud
11. Any operator who has been non-renewed with AssuranceAmerica Insurance Company for claims history or material misrepresentation
12. Any risk where the named insured or a resident relative has made a claim for payment of Personal Injury Protection benefits in the past 3 years. Applicable to new business only.
13. Any operator having one or more claims with AssuranceAmerica Insurance Company with a loss date within the first 30-days of policy inception on their original policy. Applicable to new business only.
14. Any operator with a Michigan, New Jersey, New York or Kentucky driver's license
15. Any driver over the age of 18 with less than one year of driving experience.
16. There is no limit to the number of excluded drivers, however; we will not exclude any driver where the number of vehicles is greater than the number of rated drivers.
17. Any celebrity or person of special notoriety in the local or regional community. This rule does not apply to public officials.

### UNACCEPTABLE VEHICLES

1. Vehicles titled/registered in a name other than the named insured and/or spouse, if the registered owner resides outside of Florida.
2. Vehicles not registered for public road use.
3. Vehicles not registered in the state of Florida.
4. Vehicles not garaged at the insured's Florida residence at least 10 months of the calendar year.
5. Vehicles with a salvaged, dismantled, rebuilt, or "junk" title.
6. Vehicles titled and/or registered in the name of a business, corporation, partnership or proprietorship.
7. Vehicles used for public livery.
8. Vehicles used to transport persons for a fee (other than customary car-pooling or similar shared-ride arrangements).
9. Vehicles used to transport school children, nursery children, senior citizen groups, or other social groups, migrant or day workers.
10. Vehicles used to transport hotel, motel, or public access residence occupants.
11. Grey Market vehicles: those vehicles not originally manufactured to meet US vehicle specifications.
12. Vehicles used for any kind of delivery purposes, emergency vehicles and vehicles used for commercial purposes.
13. Vehicles with more or less than 4 wheels; any vehicle with a load capacity in excess of 1 ton.
14. Dune buggies, dragsters, cars used for racing, modified vehicles, kit cars or vehicles with altered suspension.
15. Vehicles with a model year prior to 1981.
16. Vehicles being driven more than 50 miles one way to work or more than 500 miles a week.
17. Vehicles with existing or unrepaired damage or any mechanical alterations or dysfunction.
18. Any all-terrain vehicles, panel trucks, campers, and RV-type vehicles or trailers.
19. More than one (1) business or artisan use vehicle on the policy.
20. More than one (1) vehicle without an assigned driver at inception for New Business.
21. More than two (2) vehicles without an assigned driver after inception.
22. Physical Damage on vehicles with a model year >20 years old, based on current policy effective date.
23. Vehicles with business or artisan use where a non-resident business associate is listed as an operator
24. Vehicles with a Depreciated Value greater than \$45,000 are unacceptable. The depreciated value is determined by the MSRP and a depreciation factor based on the vehicle age.
25. Vehicles with an original MSRP greater than \$70,000 are unacceptable.
26. Vehicles > 15 years old (from policy effective date) with a lienholder

**FRAUD WARNING: Per Florida Statue 627.409, any statement or description made by or on behalf of an insured or annuitant in an application for an insurance policy or annuity contract, or in negotiations for a policy or contract, is a representation and not a warranty. A misrepresentation, omission, concealment of fact, or incorrect statement may prevent recovery under the contract or policy only if any of the following apply: (a) The misrepresentation, omission, concealment, or statement is fraudulent or is material to the acceptance of the risk or to the hazard assumed by the insurer. (b) If the true facts had been known to the insurer pursuant to a policy requirement or other requirement, the insurer in good faith would not have issued the policy or contract, would not have issued**

it at the same premium rate, would not have issued a policy or contract in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss.

## GENERAL INFORMATION

### COMMISSIONS

Commissions will be paid electronically to the agent's designated bank account by the 15th of each month for all premiums posted during the preceding month. Commissions are not paid on any fees.

### POLICY PERIOD

Policies may be written for a six (6) month or twelve (12) month term only. Policies are not continuous and will renew only upon payment of renewal premium before the expiration date. There is no grace period for payment of renewal premiums.

### NEW BUSINESS

New business down payments must be submitted via EFT from the agent's account, or directly from the customer via the customer's credit card or a direct debit from the customer's bank account. Any shortages in down payment resulting from misrate or up-rate will be invoiced to the insured separately or added into the next scheduled installment, depending upon the billing date. The balance of any up-rate or mis-rate will be distributed over the remaining installments.

### APPLICATIONS

**All new business applications must be submitted thorough the agency portal. All applications must be completed in full without omissions and signed by the applicant. The signature must be witnessed by an authorized producer, as evidenced by the producer's signature on the application in order to secure bound coverage. Physical applications should be retained in the agency's office. We reserve the right to audit applications.**

If named insureds are other than husband/wife, a copy of the vehicle registration must accompany the application.

All vehicles must be inspected by the agent at the time coverage is bound. Agents may not bind coverage for vehicles with existing damage, other than normal wear and tear that is disclosed on the application.

In accordance with Florida Statute 627.744, a pre-insurance inspection is required for a motor vehicle policy issued with Physical Damage coverage on a private passenger motor vehicle principally garaged in Duval, Palm Beach, Broward, Dade, Orange, Hillsborough or Pinellas County. Inspection is not required if any of the following criteria apply:

- New, unused motor vehicle purchased from a licensed motor vehicle dealer or leasing company, if insurer is provided a copy of the bill of sale or buyer's order which contains a full description of the motor vehicle including all options and accessories; or a copy of the title/registration showing transfer of ownership and a copy of the window sticker/dealer invoice with all options listed.
- A temporary substitute motor vehicle.
- A motor vehicle which is leased for less than six (6) months, if the insurer receives the lease or rental agreement containing a description of the leased motor vehicle, including its condition.
- A vehicle that is ten (10) years old or older, as determined by reference to the model year.

### ENDORSEMENTS

Most policy changes can be processed online and may require a portion of the additional premium to be paid at time of endorsement. The balance of additional endorsement premium will be distributed over the remaining installments.

Return premiums owed an insured are first applied to any policy balance, including fees, with the remaining payments reduced by such amount. Refunds over the policy balance will be returned directly to the insured following the termination of coverage as required by law.

NOTE: If a policy terminates for nonpayment of premium as a result of an additional premium, please remember that apportioned agent commission is charged back; collecting adequate additional premium could save the agent from losing commission income on premium that would otherwise have been earned.

## RENEWALS

If the company offers a renewal, the renewal declarations page will be mailed to the insured at least 45 days prior to the expiration date of the current term. The minimum renewal down payment premium must be paid before the expiration date of the policy, as witnessed by US postmark or the upload date if the payment is transmitted electronically to the company.

### Rate Capping

Renewals will be rate capped at +10% and -10%. Price changes initiated by the customer including changing coverages, vehicles, drivers, and garaging address will not be subject to the rate capping mechanism.

## FINANCIAL RESPONSIBILITY FILINGS

SR22 Filings will be accepted subject to the following conditions:

1. A non-refundable \$15.00 fee is collected and remitted with the full term premium.
2. All vehicles owned by the named insured must be insured through AssuranceAmerica Insurance Company.
3. The person requiring the filing may not be excluded from coverage.
4. The policy must include Bodily Injury coverage.

## CANCELLATIONS

### Flat Cancellations

Insured requests for flat cancellations are not allowed unless:

1. The company is provided evidence of duplicate, concurrent coverage in the form of a company-generated declaration page, OR
2. Request for flat cancellation is received prior to the policy effective date, OR
3. Within 5 (five) business days of the policy effective date, proof is provided that the insured never took ownership of the vehicle.

### Dishonored or Unauthorized Payment received with New Business Applications:

If any insured submits a dishonored or unauthorized payment for the original new business application, the company will provide a flat cancellation. If the payment was made by check, a copy of the NSF check is required. Cancellation notices will be sent to the insured, loss payee and agent when the policy is cancelled flat due to a dishonored or unauthorized payment to the producer or company. Coverage will not be reinstated; rather, a new application must be submitted with certified funds, including the dishonored or unauthorized payment charge.

### Dishonored or Unauthorized Payment received with Installment Payments:

On subsequent premium payments, if an insured submits a dishonored or unauthorized payment to the producer or company, a legal notice of cancellation for nonpayment of premium will be generated. If the policy was pending cancellation at the time the dishonored or unauthorized payment was applied, the policy will re-cancel back to the pending cancellation date.

### Total Losses

The Company will not automatically cancel a policy as a result of a reported total loss. Cancellation of the policy or of policy coverages must be requested by, and signed for by, the insured. If the policyholder retains a vehicle deemed a total loss, Physical Damage Coverages (Comprehensive, Collisions, Loss of Use, Substitute Vehicle and Special Equipment) must be removed from that vehicle effective the day after the loss.

### Insured-Elected Cancellations

Cancellations requested by the insured must be submitted in and writing and include the policy number and insured's signature. The refund will be calculated as the unearned pro-rata premium x .90. All fees are fully earned.

### Company-Elected Cancellations

Any cancellations initiated by the company will be calculated on a pro-rata basis.

### Waiver of Premium

If a policy cancels with a balance due either the insured or the company, the company will waive both payment of balances due or collection of monies owed if the amount is no greater than \$5.00. Refund amounts no greater than \$5.00 will be paid if requested by the insured. Refund amounts greater than \$5.00 do not require an insured to make a request to be paid.

## REINSTATEMENTS

Policies canceled for non-pay may be eligible for reinstatement up to 30 days after cancellation. AAIC's system will show if the policy is eligible for reinstatement. Policies that cancel for non-pay may be reinstated upon receipt of the full premiums in addition to any applicable fees. "Receipt" is deemed to be receipt of verified legal tender of all monies owed. A reinstatement fee may be charged against the policy and any applicable lapse in coverage will apply.

Policies canceled for underwriting or other reasons may be eligible for reinstatement. To request reinstatement, please contact the customer service department.

**DO NOT ACCEPT LATE PAYMENT OF PREMIUM WITHOUT PRIOR APPROVAL FROM THE COMPANY.**

## DRIVERS

It is a requirement of the Company that all household members, age 14 or older, whether licensed or not be disclosed. It is a further requirement that all non-household member drivers of the insured vehicle(s), including occasional operators also be disclosed.

AssuranceAmerica requires a 36-month verifiable driving record. If any experienced driver is newly licensed in Florida, please provide the driver's prior state's license number. We will order driving history from multiple states to ensure a 36-month history.

### DRIVER EXCLUSIONS

You may exclude the following drivers from the policy:

1. A spouse who is not specified as a Named Insured on the Declarations.
2. Any person age 16 or older who resides with the applicant or with an insured driver;
3. Children temporarily away at school; or,
4. Any licensed resident who is temporarily living at another residence.

You MUST exclude the following drivers from the policy:

1. All persons 16 years or older who reside in the insured household and do not hold a valid license or learner's permit.
2. All persons with a permanently suspended or revoked license.

The named insured must sign the Driver Exclusion Form. Driver exclusions apply to all subsequent renewals unless the Company is notified in writing to remove the excluded driver. No more than 2 drivers may be excluded on any policy.

**Note: Any resident age 15 or older and anyone having regular use of an insured vehicle, other than those with a learner's permit license, must be listed on the application and rated as an operator on the policy or otherwise must be excluded. Minors who have a learner's permit and are subject to Florida Statute 627.746 shall not be charged a premium for the period of time that the minor has a learner's permit, until such time as the minor obtains a driver license.**

### Marital Status

Married means legally married. Single means not legally married; cohabitation does not constitute legal marriage for purpose of rating risks and for assuming certain policy rights. If insureds maintain different surnames, proof of marriage is required at the time of application or endorsement, otherwise insured will be rated as single persons.

## VEHICLES

Vehicles are assigned company defined symbols. For vehicles with a current or future model year that are not yet defined, the company will rate the vehicle similarly to a like vehicle until a symbol is assigned and filed.

## POLICY CHANGES

The Named Insured may be removed from the policy in the following cases:

1. Death – AssuranceAmerica requires a death certificate to remove the named insured. If the surviving spouse is not already listed as a Named Insured, the policy should be endorsed to reflect this change. Named Insureds may not be changed to estates, trusts, executors or other heirs.
2. Divorce – only when the Named Insured being removed willingly signs a request to remove him/her may the policy be endorsed for this change. Otherwise, the spouse wishing to remain sole Named Insured should have a new policy written in his/her name, removing him or herself from the original policy.

All changes to the policy resulting in a reduction in coverage or deletion of a vehicle require the insured's original signature, kept in your office subject to audit. When adding a driver and a vehicle that are not the named insured's spouse or child, we require proof that the vehicle is registered to the Named Insured.

When changing a vehicle, no increase in coverage applies until you have notified our office and paid any additional premium due. If the replacement vehicle is unacceptable and the original vehicle was covered for liability only we will only cover the replacement vehicle for liability. If applicable, an unacceptable risk surcharge will be applied to the policy. In all unacceptable cases, the file will be set for non-renewal.

Any request to delete a driver who no longer resides in the insured household must have the original signature of the named insured. Deleting a Named Insured requires that person's original signature.

**NOTE: A COMPLETED DRIVER EXCLUSION FORM IS REQUIRED TO DELETE A SPOUSE OR A DRIVER WHO REMAINS A RESIDENT OF THE NAMED INSURED'S HOUSEHOLD.**

### **Special Provisions for Unacceptable Exposures**

1. If an insured or insured vehicle is relocated outside of Florida during the policy term, the policy will be surcharged and canceled or non-renewed.
2. If an insured adds an unacceptable vehicle, unacceptable operator, or increases the risk exposure in a manner that would have rendered the risk unacceptable for new business or renewal, the policy will be surcharged and will be marked for cancellation or nonrenewal.

## PREMIUM FINANCING

Premium financed policies are not permitted.



# AVAILABLE COVERAGES

## **Bodily Injury**

Bodily Injury (BI), if selected, must be written for all vehicles on the policy at the same limit. This coverage is available at limits of \$10,000/\$20,000 or \$25,000/\$50,000.

## **Personal Injury Protection and Property Damage Liability**

Personal Injury Protection (PIP) and Property Damage (PD) liability must be written for all vehicles on the policy at the same limit of liability for each vehicle. PIP coverage is available at a \$10,000 limit for the named insured only OR the named insured and resident relatives. PIP deductibles are available as shown below, and the option to exclude Work Loss coverage is available.

| <u>PIP Deductible Options</u> | <u>PD Limit Options</u> |
|-------------------------------|-------------------------|
| \$0                           | \$10,000                |
| \$250                         | \$25,000                |
| \$500                         |                         |
| \$1,000                       |                         |

Comprehensive and Collision may be written on a PIP/PD only policy subject to physical damage rules.

## **Medical Payments Coverage**

If selected, Medical Payments (MP) coverage must be written for all vehicles on the policy at the same limit. Coverage is only available when BI coverage is purchased. If a PIP Deductible is chosen, then medical payments are not applicable. The following limits are available:

| <u>MP Limit Options</u> |
|-------------------------|
| \$500                   |
| \$1,000                 |
| \$2,000                 |

## **Uninsured Motorists Coverage**

Uninsured Motorists (UM) coverage must be written for all vehicles on the policy at the same limit for each vehicle. UM coverage cannot be purchased without BI coverage and must be rejected if coverage is not selected. Stacked and non-stacked options are available for multi-car policies. This coverage is available at limits of \$10,000/\$20,000.

## **Physical Damage Coverage**

Physical damage coverage cannot be written without statutory liability coverage. Collision and Comprehensive coverages, when selected, must be written together on the same vehicle. Vehicles of a multi-car risk may have different deductibles, except \$1,000 Collision deductible must be purchased with a minimum \$500 Comprehensive deductible.

| <u>COLL Deductible Options</u> | <u>COMP Deductible Options</u> |
|--------------------------------|--------------------------------|
| \$250                          | \$250                          |
| \$500                          | \$500                          |
| \$1000                         | \$1000                         |

## **Loss of Use (Rental) Coverage**

Loss of Use (Rental) coverage may be written only when Collision and Comprehensive coverages are selected. If selected, Loss of Use coverage must be written for all vehicles with physical damage coverage. Loss of Use limits are \$20 per day, up to 30 days, maximum of \$600 per occurrence.

## **Towing and Labor Coverage**

Towing and Labor is an optional coverage available at a limit of \$75 per occurrence. Coverage will be provided for towing and labor costs incurred each time an insured car is disabled. This includes the costs associated with emergency flat tire change, tire repair, battery jump, battery repair, fuel delivery (but not the fuel) and locksmith services.

**Special Equipment Coverage**

Special Equipment coverage may be written only when Collision and Comprehensive coverage are selected. Special Equipment items must be listed separately. Receipts showing original purchase price of insured items must accompany coverage request. Maximum total value of Special Equipment coverage is \$5,000 per policy. All Special Equipment losses are subject to a \$50 deductible.

**Accidental Death and Dismemberment Coverage**

Accidental Death and Dismemberment coverage is available for Named Insured(s) only, in conjunction with liability coverages. Coverage is available in \$1,000 increments up to \$10,000.

**Non-Owners Coverage**

Non-Owners coverage may be written for individuals who do not own any vehicles, have possession of any vehicles or have any vehicles provided for their regular or frequent use (defined as using the vehicle 5 or more times in the policy period). Coverage ONLY applies to the named insured and non-owned vehicles. There is no coverage for a spouse or any other person. Permissive use is not included. PIP coverage is not available for Non-Owners policies. BI must be purchased on Non-owner policies. These policies should be rated using a 2005 4-door Honda Accord LX.

**Substitute Vehicle Coverage / Rental Car Coverage Endorsement**

Substitute Vehicle coverage may only be written at new business when Collision and Comprehensive coverage is selected on at least one vehicle. Coverage will be removed if all vehicles with Collision and Comprehensive are removed from the policy. This coverage extends physical damage coverage to a rented vehicle rented either for pleasure use or as a substitute for your covered auto which is out of service due to an accident or loss.

# VIOLATIONS/ACCIDENTS

For rating purposes, evaluate each operator's record for the past 36 months, using violation and accident conviction date. Points are charged for each accident and/or violation appearing on the MVR, developed on the application, previously reported to the company, or developed through other reporting agencies. The violation occurrence date is used to determine if an accident or violation falls within the chargeable period.

Violations charged in accordance with Florida 626.9541 and defined within the statute are assessed their respective point values when they are the second or subsequent violation occurring in the preceding 18 months or the third or subsequent violations in the preceding 36 months.

If there are more vehicles than operators, check carefully for undisclosed operators as coverage may be voided if the existence of licensed operators is misrepresented to the company.

## ACCIDENTS

**All accidents, regardless of driver fault, must be declared on the application for insurance. If we determine, in good faith, based on information collected in our files that an accident is "AT FAULT" that accident will be counted in the point assessment unless the named insured demonstrates one of the following "NOT AT FAULT" conditions:**

1. Vehicle was lawfully parked.
2. Accident was reimbursed by, or on behalf of, a person responsible for the accident or has a judgment against such person.
3. Vehicle was struck in the rear by another vehicle headed in the same direction and was not convicted of a moving traffic violation in connection with the accident.
4. Vehicle was hit by a "hit-and-run" driver, if the accident was reported to the proper authorities within 24 hours after discovering the accident.
5. Insured was not convicted of a moving traffic violation in connection with the accident, but the operator of the other automobile involved in such accident was convicted of a moving traffic violation.
6. Insured was finally adjudicated not to be liable by a court of competent jurisdiction.
7. Insured is in receipt of a traffic citation which was dismissed or nolle prossed.
8. Accident was not at fault as evidenced by a written statement from the insured establishing facts demonstrating lack of fault which are not rebutted by information in the insurer's file from which the insurer in good faith determines that the insured was substantially at fault.

## POINT SCHEDULE

| Violation Category              | First | Second | Each Add'l |
|---------------------------------|-------|--------|------------|
| Major Violation                 | 4     | 4      | 4          |
| Minor Violation                 | 2     | 2      | 2          |
| Speed Violation                 | 3     | 3      | 3          |
| At-Fault Accident               | 3     | 3      | 3          |
| Not At-Fault Accident           | 0     | 0      | 0          |
| No Insurance                    | 0     | 0      | 0          |
| Alcohol/Drug Related Violations | 1     | 4      | 4          |

The oldest violation in any category will receive the First occurrence point assignment. The next oldest violation in the same category will receive the Second occurrence point assignment, and all other violations in the same category will receive the Each Additional occurrence point assignment as appropriate. Any waived violations per Florida 626.9541 are still counted when calculating the Occurrence of a particular violation.

## VIOLATION CATEGORIES

| Description   | Violation Category              |
|---|---------------------------------|
| Driving Under the Influence<br>Refusal to Submit  | Alcohol/Drug Related Violations |
| Accident At-Fault   | At-Fault Accident               |
| Display Altered/Fictitious License<br>Driving with Suspended License<br>False Report<br>Felony with a Motor Vehicle<br>Fleeing to Elude Police<br>Hit & Run<br>Leaving Scene of Accident<br>Obstructing an Officer<br>Racing<br>Reckless/Negligent Driving  | Major Violation                 |
| Careless/Improper Driving<br>Child Restraint Violation<br>Defective Equipment<br>Driving in Unsafe Conditions/Improper Equipment<br>Driving Too Fast for Conditions<br>Driving Without a Valid License<br>Driving Without Lights<br>Driving Wrong Side of Road<br>Driving Wrong Way<br>Failure to File Report<br>Failure to Obey Traffic Device<br>Failure to Signal<br>Failure to Yield<br>Following Too Closely<br>Lane Changing Violation<br>Learner License Violation<br>Obstructing Traffic<br>Open Container<br>Passing Stopped School Bus<br>Running Stop Sign<br>Seat Belt Violation<br>Speeding 15MPH or Under Speed Limit<br>Speeding in Work Zone<br>Texting While Driving | Minor Violation                 |
| Speeding 16 MPH or Over Speed Limit   | Speed Violation                 |
| Driving Without Insurance   | No Insurance                    |
| Expired Operators License<br>Expired Tag<br>Failure to Change Address/Name on License<br>Suspended and Reinstated License   | No-Charge Violation             |
| Accident Not-At-Fault   | Not At-Fault Accident           |

### Not At Fault Accidents

Not at fault accidents will not be added for existing drivers after new business inception. The lookback period for not at fault accidents will be 36 months and not at fault accidents will age off at the next renewal after they reach the 36-month experience period. Not at fault accidents that are waived pursuant to Section 626.9541, Florida Statutes, are not included as not at fault accidents.

## UNDERWRITING EXPERIENCE REPORTS

Motor Vehicle Reports are required for all licensed operators in the insured household for each risk. If you do not provide us with an MVR and our order is returned to us from the state as "Unable to Locate Number" with the number provided the company on the application, the policy will be surcharged. To eliminate this possibility, please provide a copy of drivers' licenses or a copy of the MVR at the time of application or driver additions.

Claim Activity Reports and Licensed Operator Checks are used to supplement and verify information provided on applications. It is important for the agent to advise his/her insureds to disclose all loss activity and licensed operators in his household to ensure there will not be the opportunity for coverage denial based on material misrepresentation or coverage disqualification and cancellation.

# DISCOUNTS & SURCHARGES

## DISCOUNTS

### Prior Insurance Discount

To qualify for the Prior Insurance Discount, the insured must have the following:

1. Proof of continuous coverage with a single carrier for the 6-month period immediately preceding the AssuranceAmerica effective date. Acceptable proof includes a declaration page, renewal offer, non-renewal notice, identification card, or screen print from company web site.
2. 1 to 30 day lapse in coverage between the former policy and the AssuranceAmerica effective date qualifies the policy for a Proof of Prior 1-30 Day Lapse discount.
3. 0 days lapse between the former policy and the AssuranceAmerica effective date qualifies the policy for a Proof of Prior No Lapse discount.

Discount is included in tier placement.

### Extended Proof of Prior Discount

A discount will apply when AssuranceAmerica can verify 730 total days or more of prior insurance in the previous five years and the customer has a maximum of a 30 day lapse. AssuranceAmerica prior experience will not be counted toward the 730 days. Discount applies to BI, PIP, PD, MP, Comp, and Coll coverages.

### Electronic Verification of Prior Insurance Discount

A discount will apply if AssuranceAmerica can electronically verify prior coverage at the point of sale via Current Carrier. The discount applies to BI, PD, PIP, Comp, Coll. This discount applies to policies with original effective dates on or after 09/16/2016.

### Multi-Car Discount

To qualify for the Multi-Car Discount, all vehicles must be insured under the same AssuranceAmerica policy. The discount applies to BI, PD, PIP, COMP, and COLL coverages.

### Full Coverage Discount

A discount will apply if the insured purchases BI and COMP & COLL for all vehicles on the policy. The discount will apply to BI, PD, and PIP coverages in Underwriting Tiers L, N, P, R, & T. The Discount will remain in effect at renewal provided that BI, COMP, and COLL coverages are retained for every vehicle on the policy.

### Defensive Driver Discount

A discount will apply to all vehicles in which the rated operator is age 55 or older and has successfully completed a Motor Vehicle Accident Prevention course approved by the Florida Department of Highway Safety and Motor Vehicles. The discount will be in effect for three (3) years from the date of successful completion of the accident prevention course. The certificate must accompany the application. The insured must not be involved in an automobile accident for which the insured is at fault; and not be convicted, plead guilty or nolo contendere to a moving violation during the most recent 36 months since course completion. This discount does not apply if the insured is taking the course pursuant to a court

or other government entity order resulting from a violation. The discount only applies once to each such motor vehicle regardless of the number of operators with course completion certificates. The Discount is applied to BI, PD, PIP, and COLL.

### **Homeowner's Discount**

A discount applies when the Named Insured provides proof that they own a home and live in the home. "Home" is defined as a single family house, duplex, condominium, or townhouse. The Named Insured must be the legal homeowner. Proof of homeownership must accompany the application. Examples of acceptable proof include the title, tax bill, or the declarations page of the homeowner's insurance policy. Additional documentation may be required to verify that the home is an eligible structure. Applies to BI, PD, PIP, COMP, COLL.

### **Recurring Electronic Payment Discount**

A Recurring Electronic Payment discount will apply when a pay plan with automatic withdrawal or automatic payment is selected. Pre-paid credit cards are not eligible for recurring electronic payments and therefore not eligible for the discount. Applies to BI, PD, PIP, UM, Comp. This discount applies to policies with original effective dates on or after 09/16/2016.

### **Paid In Full Discount**

A discount applies if 100% of the quoted policy premium and fees are paid at the point of sale. Policies with outside premium financing are not eligible for the Paid in Full discount. This discount will not apply if an endorsement of additional vehicles or drivers is requested within 10 days of the policy inception date. Applies to BI, PD, PIP, MP, UM, Comp, Coll.

### **E-signature Discount**

A discount applies if the insured electronically signs the application using AssuranceAmerica's e-signature capability in webrater. Applies to BI, PD, PIP, UM, Comp. This discount applies to policies with original effective dates on or after 09/16/2016.

### **eSign at Bind Discount**

A discount applies if the insured electronically signs the application using AssuranceAmerica's eSign at Point of Sale capability. The eSign at Bind Discount will not apply in conjunction with the E-Signature Discount. The discount will remain at renewal and can apply to BI, UM, PD, PIP, and Comp coverages.

### **Advanced Shopper Discount**

A discount applies if a policy is quoted at least one day in advance of the policy effective date and has proof of prior with no lapse. This discount will not apply to renewals. BI, UM, PD, PIP, MP, Comp, and Coll coverages are eligible for this discount.

### **Air Bag Discount**

A discount applies to vehicles equipped with full front seat or driver side only airbags that meet federal or appropriate equivalent standards. The discount is applicable to Med Pay and Personal Injury Protection.

### **Anti-Lock Discount**

A discount applies to vehicles which are certified to have anti-lock brakes. Applies to BI, PD, PIP, MP, UM, COLL.

### **Non-Owner Discount**

A discount applies to non-owner policies (see non-owner section, page10). Applies to BI, PD.

### **Anti-Theft Discount**

Applies to Comp coverage for vehicles equipped with:

1. A hood lock which can be released from the inside of the vehicle.
2. An active or passive device which disables the vehicle's fuel, ignition or starting mechanisms or an alarm only device which sounds an audible alarm that can be heard at a distance of at least 300 feet for a minimum of three minutes.
3. A vehicle recovery system device which is an electronic unit in a vehicle that is activated after the vehicle is stolen. When activated the device provides information to law enforcement officials or another public or private entity regarding the vehicle's location. The system provides for the routine delivery of the information to the appropriate law enforcement entity to assist in the recovery of the vehicle.

### **New Business Transfer Discount**

A discount is applied to any policy where the applicant has 6 months of prior insurance without a lapse in coverage and

all drivers listed on the policy have no chargeable violations or chargeable accidents in the last 36 months. Applies to BI, PD, PIP, UM, MP, Comp, Coll.

#### **Valued Customer Discount**

A discount applies to any renewal where the customer has 6 months of continuous coverage with AssuranceAmerica and all drivers listed on the policy have no chargeable violations or chargeable accidents in the last 6 months. Applies to policies at the renewal term that do not have a lapse in coverage in the current term at the time the renewal offer is generated, had no claims during the preceding 6 month policy and have not had any late payments. Applies to BI, PD, PIP, UM, MP, Comp, Coll.

#### **Mobile Home Owner Discount**

A discount applies if the named insured owns, occupies, and insures his/her mobile home. A copy of the insured's declarations page must be submitted to us at time of application. The address listed must match the named insured's address listed on our Company's policy. Applies to BI, PD, PIP, Comp, Coll.

#### **Safe Driver Discount**

A discount applies to the new business term for any driver that does not have any chargeable accidents or chargeable violations in the past 36 months. This discount does not apply to any driver that requires an SR22 filing. At the time of the first renewal, this discount will be replaced with the Valued Customer Discount, if the risk qualifies. Applies to BI, PD, PIP, MP, UM, Comp, Coll.

#### **Mobile App Discount**

Policy level discount applied when the applicant downloads the AssuranceAmerica Mobile App, creates their Customer Account, and logs in for the first time during New Business Onboarding process. Applicable to BI, PD, PIP, CP, and CL coverages.

## **SURCHARGES**

#### **Business Use**

Vehicles used in sales or service occupations are considered business use. A vehicle surcharge applies. Any regular use of a vehicle by the insured in the course of their work or occupation constitutes business use and must be declared and rated as such. Examples of acceptable Business Use include vehicles used by insurance agents, doctors, accountants, or other professionals visiting multiple locations. Vehicles classified as business use may not have any logos or commercial advertisements affixed temporarily or permanently to the vehicle.

#### **Artisan Use**

Vehicles used by an artisan who uses a vehicle only as a means of transportation for the insured and his/her tools to and from the job site is considered artisan use. A vehicle surcharge applies. Any regular use of a vehicle by the insured in the course of their work or occupation constitutes business use and must be declared and rated as such. Examples of acceptable Artisan Use include vehicles used by carpenters, plumbers, brick masons, roofers, or welders. Applies to all coverages.

Vehicles may qualify for business use or artisan use coverage subject to the following:

1. Vehicles must be individually owned; no joint ownership, corporation or other such business entity named as titleholder or registrant.
2. Vehicle may be operated only by the named insured or other licensed resident family members who are listed and rated on this policy. Business associates may not be listed as operators.
3. There may be no pick-up or delivery of goods, including hauling materials and supplies provided from any employer.
4. Vehicles may have no logo or other commercial advertisement or identification affixed temporarily or permanently to the vehicle or its equipment.
5. Insured vehicles may not tow any additional equipment or supply trailer in the course of business use.
6. Vehicles cannot have permanently installed mobile equipment such as hoists, air compressors, pumps, generators, spraying, welding, building cleaning, lighting, well servicing equipment and ladder racks.
7. Any business involving frequent stops, whether on a regular route or not, such as courier or messenger services, exterminators, debit life insurance sales, are unacceptable.
8. Vehicles used in the course of business, which requires crossing state lines, or, in the case of traveling salesmen or representatives, frequent overnight travel outside the state is unacceptable under this program.
9. There may be no more than one (1) business use or artisan use vehicle on the policy.
10. The vehicle is not used to carry passengers.

**Inexperienced Driver Surcharge**

Operators age 21 or older with less than 3 year's driving experience receive an Inexperienced Driver surcharge. Applies to all coverages.

**Unverifiable Driving Record Surcharge**

An Unverifiable Driving Record surcharge will be applied to an operator if an MVR is not available. However, this surcharge will not be applied if an International/Foreign Driver's License Surcharge is already applied to the policy. The surcharge applies to BI, PD, PIP, MP, and COLL.

**Prior PIP Claim Surcharge**

Applies if the prior PIP claim incident date is prior to new business inception date and the prior PIP claim is the result of an at fault accident. The lookback period for prior PIP claims will be 36 months and prior pip claims will age off at the next renewal after they reach the 36-month experience period. When this surcharge is applied, the at fault PIP incident will not be enforced in the merit table. Surcharge applies to BI, PD, PIP, UM, MP, Comp, and Coll.

**Garaging Zip Different From Mailing Zip Surcharge**

A surcharge will be applied if the garaging zip code is different than the mailing zip code. The surcharge can be removed when the mailing and garaging zip codes are made to match. The surcharge applies to BI, PD, PIP, UM, MP, Comp, and Collision.

**Suspended Driver Surcharge**

Applied to any operator who currently has a suspended or revoked driver's license. Applies to all coverages.

**Prior Balance Surcharge**

A Prior Balance surcharge will be applied to any policy where the customer has a prior balance with AssuranceAmerica of \$15 or greater. Applies to all coverages.

**Unacceptable Risk/Exposure Surcharge**

An Unacceptable Risk/Exposure surcharge will be applied only to those bound risks where underwriting evaluation, reports or inspections determine unacceptability to the AssuranceAmerica program and where the additional risk exposure and/or volatility cannot be compensated for in AssuranceAmerica's rate structure for acceptable risks. These unacceptable risks, once determined, will be surcharged and processed for cancellation or non-renewal as quickly as may be allowed under Florida code. The surcharge is meant only to compensate for the additional exposure during the coverage period up to cancellation or non-renewal, and is not an alternative to be applied in lieu of cancellation or non-renewal of the risk.

## PAYMENT OPTIONS

Down payments are calculated as a percentage of premium and can be paid to the agent or can be paid directly to the company by credit card or direct debit from the customer's checking account. An Installment Fee of 1.5% simple interest of the outstanding balance or \$20, whichever is less, is charged for each premium installment bill. If the installment is paid by EFT, the maximum Installment Fee is \$15. Down payments may in no event be less than allowed by Statute or Regulation (in effect on the application date of the policy).

**PAY PLANS****6 Month Policy Term Direct Bill Plans:**

| Pay Plan                       | Down Payment | Requirement                 | Billing Cycle                   | Number of Installments |
|--------------------------------|--------------|-----------------------------|---------------------------------|------------------------|
| Low Down Payment - Direct Bill | 16.67%       | None                        | 23 for 1st , 30 days all others | 5                      |
| Low Down Payment - EFT         | 16.67%       | Insured EFT                 | 30 days                         | 5                      |
| 20% Down                       | 20%          | None                        | 30 days                         | 5                      |
| 24% Down                       | 24%          | Purchased BI and Agency EFT | 30 days                         | 5                      |
| 25% Down                       | 25%          | Purchased BI and Agency EFT | 30 days                         | 5                      |
| 30% Down                       | 30%          | Purchased BI and Agency EFT | 30 Days                         | 5                      |



|                   |        |      |         |   |
|-------------------|--------|------|---------|---|
| 34% Down          | 34%    | None | 30 days | 4 |
| 40% Down          | 40%    | None | 30 days | 4 |
| 50% Down          | 50%    | None | 30 days | 1 |
| Paid In Full Plan | 100%   | None | None    | 0 |
| Renewal Plan      | 16.67% | N/A  | 30 days | 5 |

**12 Month Policy Term Direct Bill Plans:**

|                   |       |      |         |    |
|-------------------|-------|------|---------|----|
| Paid in Full Plan | 100%  | None | None    | 0  |
| 8% Down           | 8.33% | None | 30 days | 11 |
| Renewal Plan      | 8.33% | N/A  | 30 days | 11 |

**Note:**

Certain eligibility requirements apply to down payment options lower than 34%.

**DIRECT BILL PROCEDURES**

Full payment is always acceptable, or the insured may submit the required down payment and monthly installments. Regularly scheduled invoices will be mailed at least 15 days before the installment premium is due the company; an installment charge is added to each installment at the time of billing. An insured that chooses a payment plan will be given the choice at each billing to pay the remaining policy premium in full and avoid further installment fees.

A "Notice of Nonpayment Cancellation" is generated to the insured a minimum of 10 days before a policy is to terminate for nonpayment of premium.

**FEES**

**MGA Policy Fee** A \$25.00 fully earned policy fee will apply to all new business and renewals.

**Late Fee** A \$10.00 Late Fee is charged when a payment is postmarked more than five (5) days after the due date.

**Dishonored or Unauthorized Payment Fee**

A \$15.00 Dishonored Payment Fee is taken for all dishonored or unauthorized payments, regardless of reason or method of payment.

**SR22 Fee** A \$15.00 SR-22 Fee will be charged for any new SR-22 filing.

**Installment Fee** An installment fee of 1.5% simple interest of the unpaid balance up to a cap of \$20 will be charged for each installment on a direct bill pay plan.

**EFT Installment Fee** An installment fee of 1.5% simple interest of the unpaid balance up to a cap of \$15 will be charged for each installment on an electronic withdrawal plan. Recurring credit / debit cards do not qualify for the EFT installment fees and are charged the regular direct bill installment fee.

**Pay Plan Setup Fee** A \$10 fully earned Pay Plan Setup Fee will be charged to policies with an unpaid balance. This fee will be charged only once in a 12-month period unless the policy had been canceled due to nonpayment during the previous 12 months.

**Reinstatement Fee** A \$15.00 Reinstatement Fee is applied if the company agrees to reinstate a policy after the cancellation effective date.

Commissions are not paid on fees.