



CALIFORNIA

Private Passenger Automobile Insurance Program

Underwriting and Rate Guide for the Primo Program

Effective: [April 15, 2024](#)

Administered by:

Myco General Insurance Agency
License # 6003965
P.O. Box 3490
Cerritos, CA 90703-3490

Claims Administered by:

The Littleton Group Western Division
1250 S. Capital of Texas Hwy, Bldg 1, Suite 460
Austin, TX 78746

Myco General Insurance Agency Contact Information

| | |
|-------------------------|---|
| Phone: | 562-392-8288 |
| Customer Service Phone: | 562-392-8288 |
| Customer Service Fax: | 562-402-4118 |
| Underwriting Fax: | 562-402-4118 |
| Email: | |
| Customer Service: | customerservice@mycoinsurancegroup.com |
| Underwriting: | underwrtiing@mycoinsurancegroup.com |

| | |
|---------------|---------------------|
| Claims Phone: | 800-595-0841 |
| Claims Fax: | 210-737-1590 |

Policy Status Inquiry

One-Stop Producer Web Site

Make Myco General Insurance Agency website your central access point to conduct business with Myco General Insurance Agency. Through the Myco General Insurance Agency website, you can download the latest Sterling Casualty Insurance Company underwriting manual, see the latest news for Myco General Insurance Agency, and access your Producer Portal. Once there, you can tend to your clients' needs. The Producer Portal is always on for 24-hour, 7 days a week access. Your customers can also access their policy information too! Visit us at: www.portal.mycoinsurancegroup.com.

GENERAL PROCEDURES

Binding Authority

Sales Representatives have binding authority in accordance with the rules contained in this manual. The application must be fulfilled and concluded using Myco General Insurance Agency policy issuance system via the comparative rater or through the Myco General Insurance Agency Portal. Coverage is bound as of the time and date the Sterling Casualty Insurance Company application is generated by the Myco General Insurance Agency Producer Portal and the risk is accepted / issued when a policy number is provided by the Myco General Insurance Agency Producer Portal. All "hard copies" of the Sterling Casualty Insurance Company application MUST be postmarked or electronically transmitted (emailed/faxed/scanned) to the company within 3 business days of the date bound. If the Myco General Insurance Agency Producer Portal is not used and the postmark on the envelope containing the Sterling Casualty Insurance Company application is after the 3-day period, the policy will be effective 12:01 a.m. the day following the U.S. postmark on the envelope.

Coverage is not bound until the Myco General Insurance Agency Producer Portal generates a policy number. Applications submitted for ineligible risks will be rejected with no coverage bound.

Commission

Commissions are payable as set forth in your Compensation Agreement or Limited Producer Agreement with Myco General Insurance Agency. All premium payments, including down payment, must be submitted gross.

Claims Procedure

Report all claims directly to The Littleton Group at 800-595-0841, or fax ACORD Loss Notices to 210-737-1590. Do not mail reports of new claims. The Littleton Group accepts new claim reports from all sources.

Policy Terms

The Sterling Casualty Insurance Company Primo program offers Semi-annual policy terms.

Payment Options

The Sterling Casualty Insurance Company offers a variety of payment options. Please refer to the comparative rater and Myco General Insurance Agency Producer Portal for further details.

Sterling Casualty Insurance Company does not accept outside premium financing.

New Business Applications

All new business must be submitted on the Sterling Casualty Insurance Company - Primo application printed through the Myco General Insurance Agency Producer Portal. Incomplete or unsigned applications will be returned unbound. To assure all applications are processed promptly and correctly, be sure to include the following information:

1. Complete Vehicle Identification Numbers;
2. All drivers and a copy of their drivers license;
3. All household members 14 years of age or older are disclosed and either rated or excluded, regardless if they are licensed to drive or not,
4. Motor Vehicle Record for all drivers;
5. Correct limits and coverages;
6. Signed application and applicable waivers and exclusions as required;
7. Prior accident history information. Please see the "Chargeable Accident" section on page 9 for the acceptable documentation on accident history;
8. Supporting documentation as required for rated discounts;

9. A copy of the current valid registration on all vehicles, or purchase contract if bought within the last 10 days;
10. All required photographs, see Photograph Requirements below;
11. Sales Representative's and Insured's signature (applicants under 18 years of age must also have parent's or legal guardian's signatures);

STERLING CASUALTY INSURANCE COMPANY WILL NOT ACCEPT BROKER POWER-OF-ATTORNEY SIGNATURES.

12. The payment plan and the proper payment;
13. A copy of the comparative rater quote sheet; and
14. A completed applicant's original Community Services Statement.

Photograph Requirements

Photographs are required before binding coverage on all vehicles that meet any of the following conditions:

1. All vehicles written for physical damage coverage unless:
 - a. proof of previous physical damage coverage is submitted indicating no lapse in coverage; or
 - b. the vehicle is purchased new and unused from a dealership within seven days of the policy effective date and a copy of the purchase agreement is provided; or
 - c. the vehicle is purchased used from a dealership and a completed "Dealer Inspection Statement" is received.
2. All pickups and vans written with physical damage coverage. On vans only, we require a photograph showing the interior of the vehicle through the rear door(s).
3. All salvaged vehicles;
4. All vehicles requesting physical damage coverage to be added after policy inception;
5. All vehicles requesting to reduce physical damage deductibles after policy inception.

Sterling Casualty Insurance Company requires one photograph showing the front and driver's side of the vehicle and another showing the rear and passenger's side, including the license plate. Electronic versions of the photographs can be attached to the policy via the Myco General Insurance Agency Producer Portal or emailed to: customerservice@mycoinsurancegroup.com.

Driver Classification

1. Married means legally married, married but living in separate households, and widowed. This includes Registered Domestic Partners. Unmarried includes single, separated, divorced, and Domestic Partner. Sterling Casualty Insurance Company will require proof of marriage if the spouses' names are different. Proof should include either a copy of the marriage certificate, the most recent tax returns or a completed Declaration of Marriage.
2. The highest rated driver will be rated with the highest rated vehicle.

3. If there are more vehicles than drivers, rate the additional vehicle as an Excess Vehicle with zero driving record points. Any surcharges assigned due to the type of vehicle would still apply to any excess vehicle.
4. In the event that any household resident 14 years of age or older is not to be covered by the policy they are designated as excluded, which requires a Sterling Casualty Insurance Company Named Driver Exclusion form be completed and signed by the Named Insured. The full name and age of each excluded driver must be indicated.

Endorsement Guidelines

1. The policy **will not** be re-rated for accident and driving record violation point charges which expire during the policy period following the original inception date of the policy.
2. All policy changes must be submitted immediately upon notification of change.
3. Policy changes may be emailed to customerservice@mycoinsurancegroup.com or faxed to 562-402-4118 upon notification of change.
4. The company must receive proper notice within 30 days of the acquisition of all newly acquired automobiles. This also applies to listed vehicles that are no longer owned by anyone listed on the policy. If received beyond the 30th day from the date of acquisition, the endorsement will be effective the day received by the underwriting department.
5. All endorsements will be computed on a pro-rata basis using the rates and rules in force at the inception date of the policy. A deposit for additional premium endorsements may be required.
6. Suspension of coverage is not permitted.

Financial Responsibility Filings

A certificate of insurance is filed to comply with requirements of the automobile financial responsibility law.

SR22 Filings will be submitted as requested. The fee for each filing is \$30. Filings will be completed only under the following circumstances:

- 1) Must have a permanent California driver's license.
- 2) All vehicles registered to the Named Insured and residents within the household must be insured with Sterling Casualty Insurance Company. If the Named Insured owns an "unacceptable vehicle," the entire risk must be declined.
- 3) Will only issue certification to persons residing in the same household. A filing may also be provided for a dependent of the Named Insured provided that the dependent relies upon the Named Insured for support and he/she does not own their own vehicle.

Filings will be processed and filed electronically to the Department of Motor Vehicles within 72 hours of the receipt of the application.

Cancellations

1. No flat cancellations are permitted (except in situations where the insured's check for the initial payment is returned dishonored or proof of duplicate coverage is provided.)

2. Policies canceled by notice of company election for substantial increase in hazard will be canceled using a pro-rata factor and will not be subject to reinstatement. Policies canceled for non-payment of premium will be canceled using a pro-rata factor and charged the Cancellation Fee. Non-payment cancellations will only be subject to reinstatement (with a lapse in coverage) if premium payment (including the Reinstatement Fee) is received within 30 days of the cancellation date.
3. "Insured's request" cancellations will be processed using a pro-rata factor plus the Cancellation Fee and will only be processed under the following conditions:
 - a. The policy is returned along with a signed statement from the named insured requesting cancellation; or
 - b. A signed statement from the named insured is submitted, requesting cancellation.
4. The effective date of cancellation for "insured's request" shall be the date requested by the named insured. Use of the insured's requested cancellation date is contingent upon the underwriting department receiving the cancellation request within 10 days after the requested cancellation effective date.
5. A copy of the replacement policy must accompany a request for cancellation due to duplicate coverage. Cancellation for duplicate coverage will be considered a cancellation at the insured's request.

Fees:

All fees are fully earned and non-refundable.

Policy Fee

A fully earned policy fee of \$40 (\$32 for Good Drivers) is charged on all semi-annual policies. There is no commission paid on the policy fee. The policy fee must be remitted with the down payment (as outlined with each payment plan) or total term premium.

Installment Fee

A \$15 Installment Fee is charged for payment plans other than Paid-In-Full. The installment fee is lowered to \$5 if the insured signs up for automatic withdrawal (EFT) from their checking account.

NOTE: *The debit for automatic EFT withdrawal may occur up to two days before the due date.*

Cancellation Fee

There is a \$50.00 cancellation fee on policies that cancel for non-payment of premium or at the insured's request.

Reinstatements

A policy can be reinstated with a lapse in coverage if the required information and/or payment are received within 30 days of the cancellation effective date.

Reinstatement Fees

There is a reinstatement fee on policies that cancel and are subsequently reinstated with a lapse in coverage. This fee offsets the additional operational expenses necessary to service reinstatements. The fees are as follows:

| | |
|--------------------------|---------|
| Non-Good Driver Policies | \$17.00 |
| Good Driver Policies | \$13.60 |

Non-Sufficient Funds Charge

There is a \$15.00 Non-sufficient Funds charge on all dishonored checks. Once a check is returned, we issue a notice of cancellation on the policy. The insured is then required to pay the original amount by cashier's check or money order plus the \$15.00 NSF check charge in order to have the policy reinstated. If the dishonored check was written for the initial down payment on a new business or renewal policy, coverage will be rescinded back to the inception date and reinstatement will not be offered.

Renewal Payment

We will send a renewal notice directly to the insured at least 20 days prior to the policy expiration date. The insured must pay the amount billed, and the payment must be postmarked by the due date to maintain renewal coverage without lapse. A policy can be renewed with a lapse in coverage if the payment is received within 30 days of the expiration date.

COVERAGES OFFERED

Bodily Injury and Property Damage Liability Uninsured Motorist

| Limits of: | | Limits of: | |
|---------------|-----------------|------------------|--|
| Bodily Injury | Property Damage | UM Bodily Injury | UM Property Damage |
| 15/30 | 5 | 15/30 | \$3,500 |
| * 30/60 | 10 | * 30/60 | (Including Collision Deductible Waiver.) |
| | * 15 | | |

Medical Payments

Limits of:
\$1,000

Physical Damage

Comprehensive
Collision

Deductibles of:
\$500, \$1,000,
\$2,500 and \$5,000
\$500, \$1,000
\$2,500 and \$5,000

Rental Reimbursement

\$25.00 daily, maximum of 25 days.

Towing and Labor

\$25.00 per disablement.

PHYSICAL DAMAGE COVERAGE CANNOT BE WRITTEN WITHOUT LIABILITY COVERAGE

*Bodily Injury and Uninsured Motorists Bodily Injury Liability limits of \$30,000/\$60,000 are available on policies effective on or after 1/1/2025. Limits \$15,000/\$30,000 are available on policies effective prior to 1/1/2025.

*Property Damage Liability limits of \$15,000 are available on policies effective on or after 1/1/2025. Limits of \$5,000 and \$10,000 are available on policies effective prior to 1/1/2025.

UNDERWRITING GUIDELINES

Before quoting a risk or binding coverage, refer to the "Unacceptable Risks" list to determine acceptability.

If you have any questions regarding acceptability, please call the Underwriting Department.

If risk requires company approval and the sales representative does not call the underwriting department, the policy will be subject to cancellation.

Guidelines marked with an asterisk (*) do not apply to Good Driver policies. Good Driver policies, in these designated categories, will be issued. However, we reserve the right to review any Good Driver policy, which qualifies for coverage under the Unacceptable Risks list, and require that you call the company prior to binding coverage.

Please note: If a Good Driver is not eligible to purchase a Good Driver policy because of any other person, then the Good Driver shall be eligible to purchase a Good Driver policy which excludes all non-Good Drivers from coverage.

Unacceptable Risks

1. Any former Sterling Casualty Insurance Company policyholder who:
 - a. Has an unpaid balance due, unless the balance due is submitted in addition to the correct down payment for the new policy, or
 - b. * has had coverage cancelled and rewritten more than twice in the past three years
2. Any driver with any of the following:
 - a. More than one alcohol-related incident in the past three years or more than two in the past seven years, this includes alcohol related suspensions,
 - b. More than two major violations in the past three years,
 - c. More than two chargeable accidents in the past three years, or
 - d. More than 26 Vista program points OR more than 9 DMV points in the past three years.
3. Any driver under 24 years of age with more than one DUI, DWI, drunk driving, refusal of alcohol test violation or any alcohol related incidents (this includes alcohol related suspensions).
4. * Any driver with a narcotics, drug, penal code or felony conviction involving a motor vehicle, regardless of citation date.
5. Any currently excluded driver added by endorsement without prior approval from the Underwriting Department.
6. * High profile celebrities; entertainers, athletes, or any professional individual who is nationally well known to a large segment of the population.

7. * International or Foreign Drivers License UNLESS the driver provides evidence of a valid driver's license issued in the United States or Canada.
8. Vehicles used as a taxicab, delivery vehicle, bus and/or for transporting passengers of any type. This includes vehicles used for Transportation Network Companies such as Lyft and Uber., Sidecar, etc., or Peer-to-Peer (P2P) Car Sharing such as Turo, Getaround, Car2Go, etc...
9. Any Autonomous Vehicle (AV) with an Automation Level of 2 or higher as defined by the National Highway Traffic Safety Administration (NHTSA).
10. * Vehicles with an ISO symbol 25 and above for model years up to and including 2010 or ISO symbol 58 and above for model years 2011 and later.
11. * Vehicles not sold/distributed in the United States (Gray-market vehicles) for physical damage coverage without prior approval from the Underwriting Department.
12. * Custom, rebuilt, altered, or modified vehicles (including vehicles with lift kits), and specialty built vehicles (including kit cars and Dune/Baja Buggies).
13. * Salvaged vehicles without prior approval from the Underwriting Department.
14. Vehicles not registered in California whose owners have been a resident of California for over 30 days. Not applicable for qualified military personnel.
15. * Antiques/Classics.
16. Vehicles registered to unrelated individuals on the same policy.
17. Vehicles used for:
 - a. Racing or speed contest, exhibitions, or "off-roading";
 - b. Emergency or law enforcement;
 - c. Mail/parcel post delivery, retail food and beverage delivery, and messenger or courier service;
 - d. News dealers, including newspaper delivery and distribution;
 - e. Any public or private livery transportation (example: limousines, taxis, buses, or van pools);
 - f. Short-term rentals;
 - g. Transporting nursery or school children;
 - h. Snowplowing for hire.
18. **Trucks**, pickups and vans with a Gross Vehicle Weight rating higher than 10,000.
19. Stake-bed and flatbed trucks.
20. Policies where an additional insured is the named insured's business or employer.

RATING PROCEDURE

You must determine the following:

1. Date of birth or age, marital status, and years of driving experience of each driver in the household. We will require proof of marriage if the spouses' names are different. Proof should include either a copy of the marriage certificate, the most recent tax returns or a completed Declaration of Marriage.
2. Accident and citation information, including violation and conviction dates, for each driver.
3. Annual mileage for each vehicle. Per CIC 1861.02(a)(2) and 2632.5(c)(2), annual mileage will be based upon the applicant's estimate for the next twelve months. It should be based on the driver's usage of the vehicle. Odometer readings are required for each vehicle. If the total estimated mileage provided conflicts with specific information (such as miles driven between home and work relative to odometer readings), the insured may be asked for additional supporting documentation. If the insured does not respond to such an inquiry, Pronto General will use a default annual mileage level of 12,000 to rate the policy. Advanced notice will be provided during the renewal process requesting an updated odometer reading for all insured vehicles for the purpose of adjusting the annual mileage estimate for the new policy period.
4. Applicable discounts and surcharges. Refer to pages 10 – 12.
5. Model Year for each vehicle.
6. Garaging zip code for each vehicle.
7. Symbol for each vehicle on which Physical Damage is written. Use the ISO Symbol Manual to determine the symbol. Refer to the rule on page 13 for pickups and vans not listed in the manual.
8. Coverage and limits for each vehicle. When writing liability, the limits must be the same on all vehicles in the household insured within the policy. Also, when writing liability, uninsured motorist coverage must be included at the limits equal to the bodily injury limits, unless the uninsured motorist waiver is properly completed and signed. The UM limits cannot exceed the BI limits.
9. Payment plan.

If you have any questions or problems regarding underwriting, rating or coverage issues, please call the Underwriting department and any of our representatives will be able to help you.

ACCIDENTS & VIOLATIONS

Violations

Violations received while operating a motor vehicle for compensation during the hours of employment should not be charged, provided the applicant has submitted a written declaration, made under penalty of perjury, stating the violation was received while operating a motor vehicle for compensation during the hours of employment. This applies only to individuals whose specific duties include driving their employer's motor vehicles or individuals who have authority in their name from the Public Utilities Commission to operate as a highway carrier and who are registered owners or lease operators of the motor vehicle. However, charges for the following violations cannot be waived:

1. Subdivision (a) of Section 14601,
2. Subdivision (a) of Section 14601.1,
3. Subdivision (a) of Section 14601.2,
4. Section 20001 or 20002,
5. Subdivision (a) of Section 20008,
6. Sections 23103, 23104, 23152, or 23153.

Count all moving violations and chargeable accidents for the past 33 months' experience period received while operating a private passenger automobile, motorcycle, or commercial vehicle. Use the citation and conviction date for violations appearing on the driving record. For multiple point count charges arising out of one occurrence, use only the highest charge involved.

Points are surcharged based on the type and date of each occurrence using the table below:

| First Chargeable PD Accident | Second Chargeable PD Accident | First Chargeable BI Accident | Second Chargeable BI Accident |
|-------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|
| 3 | 5 | 4 | 6 |

Chargeable Accidents

Any accident shall be determined to be Principally At-Fault and therefore considered chargeable according the California Code of Regulations section 2632.13 (b),(c) and (d)

1. CCR section 2632.13(b): An insurer shall not make a determination that a driver is principally at-fault for an accident unless the driver's actions or omissions were at least 51 percent of the legal cause of the accident, subject to the presumptions set forth in Subsections (c) and (d) and either the accident resulted in bodily injury or death or, for an accident that resulted only in damage to property, the total loss or damage caused by the accident exceeded \$1000. No determination made in accordance with the prior version of this regulation is affected by the 2011 amendment to this regulation.

2. Complied with CCR section 2632.13(c)(1-6): It shall be rebuttably presumed as provided in Evidence Code Section 603 that a driver is **not** principally at-fault for an accident under any of the following circumstances:
 - (1) The vehicle was lawfully parked at the time of the accident. A vehicle rolling from a parked position shall not be considered to be lawfully parked, but shall be considered as in the operation of the last operator;
 - (2) The vehicle was struck in the rear by another vehicle and the driver has not been convicted of a moving traffic violation in connection with the accident;
 - (3) The driver was not convicted of a moving traffic violation and the operator of another vehicle involved in the accident was convicted of a moving traffic violation;
 - (4) The driver's vehicle was damaged as a result of contact with a vehicle operated by a "hit and run" operator of another vehicle and the accident was reported to legal authorities within a reasonable time after the accident;
 - (5) The accident resulted from contact with animals, birds, or falling objects;
 - (6) The accident was a solo vehicle accident that was principally caused by a hazardous condition of which a driver, in the exercise of reasonable care, would not have noticed (for example, "black ice") or in the exercise of reasonable care could not have avoided (for example, avoiding a child running into the street).
3. Complied with CCR section 2632.13(d): It shall be conclusively presumed that a driver is not principally at-fault for an accident if the provisions of Insurance Code Section 488.5 apply.
4. Determined that property damage exceeding \$1,000 or bodily injury or death resulted from the accident
5. Determined that the driver was principally at fault for property damage or bodily injury

Penalty of Perjury Accident Statement: The applicant and/or insured's declaration under 'Penalty of Perjury' that an accident was not at fault. The declaration must include and state the following:

1. That the vehicle operators' actions or omissions were **not** at least 51 percent of the legal cause of the accident
2. That there was property damage **less than** the amount of \$1,000.00.
3. That there was **no** Bodily Injury.
4. That the insured is aware that if they make a declaration that is later proved false, they will be subject to civil and criminal prosecution to the extent allowed by law.
5. That they have full knowledge of any and all settlements made on their behalf by an Insurer and that the Insurer determined that they were not the primary cause of the accident.

Dismissals – Traffic Safety School

The state may dismiss the first citation to an insured who attends traffic school. Subsequent citations within 18 months will show on the MVR, even if the driver attends class again. Dismissed violations which appear on the MVR will be included in the total point count.

DMV Violation Codes

Reference the California Automobile list of DMV Violation Codes to determine the number of points assigned based on the type of violations.

SURCHARGES & DISCOUNTS

Surcharges

Business Use / Artisan Use Surcharge

Private passenger automobiles and pickup trucks are acceptable with occasional business use. The surcharge will apply to all coverages except Additional Equipment, Towing & Labor, and Rental Reimbursement, and will be used in cases where the vehicle is occasionally used in the course and scope of business.

Example of these types of risks include:

- (1) a salesperson using his or her vehicle to make sales calls,
- (2) an employee of a construction firm using his or her truck to carry supplies or materials, and
- (3) a real estate agent.

Discounts

Persistency / Renewal Discount

A persistency / renewal discount will apply to all coverages except Additional Equipment, Towing & Labor, Rental Reimbursement, and Motorist Protection if the named insured has had previous liability coverage with any program offered by Sterling Casualty Insurance Company. The prior policy information must be noted on a new application.

Multiple Car Discount

This discount applies to all coverages except Additional Equipment, Towing & Labor, Rental Reimbursement, and Motorist Protection if two or more vehicles are registered to the named insured as an individual and covered on the same policy.

Good Driver Discount

A discount of at least 20% on all coverages will be given if a driver qualifies as a California Good Driver. To qualify as a Good Driver, a driver must:

1. Have been continuously licensed to drive a motor vehicle in any jurisdiction for the previous 3 years. *Any person who claims that he or she meets the criteria of subdivisions (a), (b), and (c) of California Insurance Code 1861.025 based entirely or partially on a driver's license and driving experience acquired anywhere other than the United States or Canada is rebuttably presumed to be qualified to purchase a Good Driver Discount policy if he or she has been licensed to drive in the United States or Canada for at least the previous 18 months and meets the criteria of subdivisions (a), (b), and (c) for that period.*
2. During the previous three years has not:
 - a. Had more than one violation point count as determined by section 12810 of the Vehicle Code. In determining the violation point count, the driver of a motor vehicle involved in an accident which resulted only in damage to property shall receive one violation point, in addition to any other violation points which may be imposed for the accident.
 - b. Had more than one dismissal pursuant to section 1803.5 of the vehicle code.
 - c. Been the driver of a motor vehicle involved in an accident which resulted

- in the bodily injury or death of any person and was principally at fault.
3. Have not been convicted of a DUI during the previous 10 years.

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

Occasional Use Discount

This discount applies to all coverages except Additional Equipment, Towing & Labor, Rental Reimbursement, and Motorist Protection if the following criteria have been met:

1. The rated driver must be single.
2. The rated driver cannot be the Named Insured.
3. The rated driver must have less than 8 years driving experience and be between the ages of 16 to 24 years old.

Good Student Discount

This discount applies to all coverages except Additional Equipment, Towing & Labor, Rental Reimbursement, and Motorist Protection if the driver:

1. (a) Is at least 16 years of age and a full-time high school, college, or university student OR
(b) Is 24 years of age or younger and a part-time college or university student completing a minimum of six credit hours per quarter or semester, AND
2. Has had no at-fault accidents, or major violations, or more than two minor violations in the past 33 months AND
3. (a) Has maintained a "B" average, or its equivalent. If the letter grading system cannot be averaged, then no grade can be below a "B", OR
(b) Has maintained a numerical grade average of at least 3.00 in a 4-point grading system.

To qualify, a copy of the grade report MUST accompany the application and be presented at each 12-month renewal thereafter. The grade report must indicate that the student has met the grade requirements during the immediately preceding school semester/quarter.

Non Smoker Discount

This discount applies to all coverages, except Additional Equipment, Towing & Labor, Rental Reimbursement, and Motorist Protection when ALL drivers on the policy do not smoke cigarettes, cigars, or pipes. The discount will be given if the insured submits a statement indicating compliance with the above guideline.

Defensive Driving Course Discount

This discount applies to all coverages, except Additional Equipment, Towing & Labor, Rental Reimbursement, and Motorist Protection. The discount will be given to insureds age 55 or older who successfully complete a Mature Driver Improvement course approved by the Department of Motor Vehicles. The discount does not apply, or may be discontinued, if the insured has had a chargeable accident during the three years following the course completion date. The discount also does not

apply if the insured took the course pursuant to a court order. The insured's eligibility for the premium reduction is three years from the date of the completion of the course. The course must be taken every three years to continue eligibility for the insurance discount.

A copy of the approved course completion certificate from the sponsoring agency must be attached to the application for qualifying insureds.

Antilock Brake Discount

This discount applies to all coverages, except Comprehensive coverage, Additional Equipment, Towing & Labor, Rental Reimbursement, and Motorist Protection when vehicles are equipped with antilock brakes.

Anti-Theft Recovery Device Discount

This discount applies to Comprehensive coverage only on a vehicle that has a factory or after-market recovery device or tracking system such as GM's OnStar system, LoJack, and Teletrac. Proof of Recovery Device must be mailed with other necessary material. Proof consists of a dealer's window sticker or an invoice showing installing of the Recovery Device.

PHYSICAL DAMAGE RULES

Named Operator Option

The insured has the option to purchase physical damage coverage for Named Operators only. Under this option, Physical Damage coverage will be limited to individuals named as drivers on the declarations page ONLY. A 6% discount to Comprehensive and 10% to Collision coverage premium is given for purchasing this option. PURCHASE OF THIS OPTION REQUIRES THE INSURED'S SIGNATURE IN THE WAIVERS SECTION OF THE APPLICATION.

Symbols

1. Use the symbols in the ISO Symbol Manual
2. To determine the symbols for autos, pickups, and vans not listed in the manual, apply the retail list price to the tables below. Include the price of optional equipment such as automatic transmission, radio, and power steering. For imported vehicles, use the cost new to the retail purchaser:

| 1981 through 1989 Models | | 1990 & Later Models | |
|---------------------------------|---------------|--------------------------------|---------------|
| Original Cost New | Symbol | Original Cost New | Symbol |
| \$ 0 – 5,000 | 5 | \$ 0 – 6,500 | 1 |
| 5,001 – 6,500 | 6 | 6,501 – 8,000 | 2 |
| 6,501 – 8,000 | 7 | 8,001 – 9,000 | 3 |
| 8,001 – 10,000 | 8 | 9,001 – 10,000 | 4 |
| 10,001 – 12,500 | 10 | 10,001 – 11,250 | 5 |
| 12,501 – 15,000 | 11 | 11,251 – 12,500 | 6 |
| 15,001 – 17,500 | 12 | 12,501 – 13,750 | 7 |
| 17,501 – 20,000 | 13 | 13,751 – 15,000 | 8 |
| 20,001 – 24,000 | 14 | 15,001 – 16,250 | 10 |

| | |
|-----------------|----|
| 24,001 – 28,000 | 15 |
| 28,001 – 33,000 | 16 |
| 33,001 – 39,000 | 17 |
| 39,001 – 46,000 | 18 |
| 46,001 – 50,000 | 19 |

| | |
|-----------------|----|
| 16,251 – 17,500 | 11 |
| 17,501 – 18,750 | 12 |
| 18,751 – 20,000 | 13 |
| 20,001 – 22,000 | 14 |
| 22,001 – 24,000 | 15 |
| 24,001 – 26,000 | 16 |
| 26,001 – 28,000 | 17 |
| 28,001 – 30,000 | 18 |
| 30,001 – 33,000 | 19 |
| 33,001 – 36,000 | 20 |
| 36,001 – 40,000 | 21 |
| 40,001 – 45,000 | 22 |
| 45,001 – 50,000 | 23 |
| 50,001 – 60,000 | 24 |
| 60,001 – 70,000 | 25 |
| 70,001 – 80,000 | 26 |
| 80,001 & Up | 27 |

2011 & Later Models

| Original Cost New | Symbol | Original Cost New | Symbol |
|--------------------------|---------------|--------------------------|---------------|
| \$ 1 - \$3,000 | 1 | \$ - \$ | 41 |
| 3,001 - 5,500 | 2 | 35,001 - 36,000 | 42 |
| 5,501 - 8,000 | 3 | 36,001 - 37,000 | 43 |
| 8,001 - 9,000 | 4 | 37,001 - 38,000 | 44 |
| 9,001 - 10,000 | 5 | 38,001 - 39,000 | 45 |
| 10,001 - 11,000 | 6 | 39,001 - 40,000 | 46 |
| 11,001 - 12,000 | 7 | 40,001 - 41,250 | 47 |
| 12,001 - 13,000 | 8 | 41,251 - 42,500 | 48 |
| 13,001 - 14,000 | 10 | 42,501 - 43,750 | 49 |
| 14,001 - 15,000 | 11 | 43,751 - 45,000 | 50 |
| 15,001 - 15,625 | 12 | 45,001 - 46,250 | 51 |
| 15,626 - 16,250 | 13 | 46,251 - 47,500 | 52 |
| 16,251 - 16,875 | 14 | 47,501 - 48,750 | 53 |
| 16,876 - 17,500 | 15 | 48,751 - 50,000 | 54 |
| 17,501 - 18,125 | 16 | 50,001 - 52,500 | 55 |
| 18,126 - 18,750 | 17 | 52,501 - 55,000 | 56 |
| 18,751 - 19,375 | 18 | 55,001 - 57,500 | 57 |
| 19,376 - 20,000 | 19 | 57,501 - 60,000 | 58 |
| 20,001 - 20,625 | 20 | 60,001 - 65,000 | 59 |
| 20,626 - 21,250 | 21 | 65,001 - 70,000 | 60 |
| 21,251 - 21,875 | 22 | 70,001 - 75,000 | 61 |
| 21,876 - 22,500 | 23 | 75,001 - 80,000 | 62 |
| 22,501 - 23,125 | 24 | 80,001 - 85,000 | 63 |
| 23,126 - 23,750 | 25 | 85,001 - 90,000 | 64 |
| 23,751 - 24,375 | 26 | 90,001 - 95,000 | 65 |
| 24,376 - 25,000 | 27 | 95,001 - 100,000 | 66 |
| 25,001 - 25,625 | 28 | 100,001 - 110,000 | 67 |
| | | 110,001 - 120,000 | 68 |

| | | | |
|-----------------|----|---------------------|----|
| 25,626 - 26,250 | 29 | 120,001 - 130,000 | 68 |
| 26,251 - 26,875 | 30 | 130,001 - 140,000 | 69 |
| 26,876 - 27,500 | 31 | 140,001 - 150,000 | 70 |
| 27,501 - 28,125 | 32 | \$150,001 and above | 98 |
| 28,126 - 28,750 | 33 | | |
| 28,751 - 29,375 | 34 | | |
| 29,376 - 30,000 | 35 | | |
| 30,001 - 31,000 | 36 | | |
| 31,001 - 32,000 | 37 | | |
| 32,001 - 33,000 | 38 | | |
| 33,001 - 34,000 | 39 | | |
| 34,001 - 35,000 | 40 | | |

Deductible Requirements

* For vehicles over symbol 17 (years 1989 and prior) and over symbol 20 (years 1990 and subsequent), minimum deductibles of \$500 are required.

Unacceptable Vehicles

These makes and/or models are not acceptable:

- Acura NSX
- Alfa Romeo
- Aston-Martin
- ARO
- Audi R-Series
- Audi Locus
- Austin-Cooper/Healey
- Avanti
- Bentley
- Bertone,
- BMW 6, 7 & 8 Series
- BMW Z8
- BMW M-Series
- Bradley
- Bricklin
- Bugatti
- Cadillac XLR-V
- Cadillac Escalade – 2002 & Newer
- Callaway C12
- Checker
- Chevrolet SSR
- Citroen
- Cord
- Corvette
- Chrysler Prowler
- Daimler
- Datsun 240Z, 260Z, 280Z
- Delorean
- Dodge Viper
- Dual Ghia
- Excalibur
- Ferrari
- Fiat Spider (all models)
- Ford Excursion
- Ford F-150 Harley Davidson ED
- Ford Rousch Mustang
- GMC Cyclone
- GMC Typhoon
- Hummer
- Infiniti FX45
- Infiniti Essence
- Infiniti IPL
- Infiniti QX56
- Jaguar
- Jensen Healey or Interceptor
- Lamborghini
- Lancia
- Land Rover/Range Rover
- Lexus GS300
- Lexus GS400
- Lexus LS460
- Lexus SC300
- Lexus SC400
- Lexus IS (all models)
- Lexus LF (all models)
- Lincoln Blackwood
- Lincoln Navigator
- Lotus
- Maserati
- Maybach
- McLaren
- Mercedes Benz (except 1986 & newer 190 series)
- Mercedes Benz 190E 2.3 liter (16 valve engines not acceptable)
- Mitsubishi Lancer O-Z Rally
- Morgan
- Mosler
- Mustang Cobra
- Mustang Shelby
- Mustang GT
- Mustang Convertibles
- Nissan 280Z, 280ZX, 300ZX, 350Z
- Noble
- Opel
- Panoz

- Pantera
- Peugeot
- Pininfarina
- Pontiac Fiero
- Pontiac Firebird
- Pontiac Trans Am
- Porsche
- Plymouth Prowler
- Pure Electric Vehicle
- Renault
- Rolls Royce
- Saleen
- Shelby
- Subaru WRX.WRX Sti
- Suzuki Samurai
- Toyota Highlander
- Toyota Land Cruiser
- Toyota Sequoia
- Triumph
- TVR
- Vector
- Viper
- VW Phaeton
- Yugo

Prohibited Vehicles will be considered eligible for coverage if the policy qualifies as a California Good Driver policy in accordance with California Insurance Code 1861.025.

Additional Equipment/Modifications

When Physical Damage coverage is purchased, coverage for accessories, including but not limited to the following items, may be obtained by applying the proper premium charge as described below:

1. Awnings, cabanas, (or equipment designed to provide additional living facilities);
2. Campers/Camper shells/Custom Enclosures for pickup trucks;
3. Chrome, alloy or magnesium wheels;
4. Citizens band or two-way radios;
5. Custom bodywork;
6. Custom chroming;
7. Custom paint;
8. Custom wide-tread tires or racing slicks;
9. Scanning monitor receivers;
10. Telephones (must be permanently installed);
11. Television sets (must be permanently installed)

Unless described in full and the proper premium applied, these items will NOT BE COVERED.

Rating Procedure

1. Determine value of equipment;
2. Charge \$8.00 per \$100.00 of value (6-month rate);
3. The physical damage deductibles apply to additional equipment and modifications;
4. Describe all items in full;
5. Equipment with a cost new over \$2,000 refer to company (except camper shells).
6. The total additional equipment value covered is limited to \$5,000.

Stereo/Sound Systems

Stereo/Sound systems installed by the manufacturer as standard factory equipment are covered under physical damage, up to their actual cash value, subject to the deductibles shown in the Declarations.

All other stereo/sound systems are covered under physical damage up to a value of \$500, subject to the deductibles shown in the Declarations. Additional coverages above \$500 may be purchased. To rate the additional coverage, subtract \$500 from the current value of the stereo/sound system and rate the balance using the rating procedure for Additional Equipment/Modifications.

Rims

Rims installed by the manufacturer as standard factory equipment are covered under physical damage, up to their actual cash value, subject to the deductibles shown in the Declarations.

All other rims are covered under physical damage up to a value of \$500 for the set, subject to the deductibles shown in the Declarations. Additional coverages above \$500 may be purchased. To rate the additional coverage, subtract \$500 from the current value of the rims and rate the balance using the rating procedure for Additional Equipment/Modifications.