



Qualitas
INSURANCE COMPANY

**California
Private Passenger Automobile
Binational Auto Program**

**Underwriting Guidelines
and
Rating Rules**

Effective:

10/15/2025

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BINDING COVERAGE UNDER PRODUCER AGREEMENT

As governed by the Producer Agreement, a Producer does not have the authority to bind coverage with Qualitas Insurance Company (the "Company").

Original applications will be bound on the following day at 12:01AM after the new business application is submitted electronically, if all of the following conditions are met:

- The application and all applicable documents are complete and signed by the applicant and Producer.
- The down payment has been made on the date of the application.
- The application is uploaded electronically to the Company and a policy number is issued; The policy effective date does not precede the date and time the Producer received the down payment.
- The application does not include any class or risk, or type of insurance not specified in the Company Underwriting Guidelines.
- The information contained within the application is, to the best of the Producer's knowledge, truthful and accurate.

Applications that lack necessary information to underwrite the risk, including all applicable signatures, may be returned to the producer with no coverage bound or a policy may be issued with a notice of cancellation at the discretion of the Company.

Policies can be bound to be effective at a maximum of 30 days in the future. Backdating of the policy effective date is not allowed.

THE COMPANY RESERVES THE RIGHT TO MAKE FINAL UNDERWRITING DECISIONS.

PROGRAM QUALIFICATIONS

This program provides insurance coverage for California plated private passenger automobiles garaged in the State of California or in Mexico.

This program will be marketed as the Qualitas Binational Personal Auto Program providing coverage in both the United States and throughout Mexico.

POLICY AND COVERAGE

POLICY TERM

A policy may only be written for a term of six (6) months.

POLICY TERRITORY

Policy coverage applies within the United States of America, its territories and possessions, Mexico and Canada.

POLICY COVERAGES, LIMITS AND DEDUCTIBLES

Coverage	Limits	Deductibles
Bodily Injury Liability	\$30,000/\$60,000	--
Property Damage Liability	\$15,000	--
Lessor Liability	\$100,000/\$300,000/\$50,000	
Medical Payments	\$500, \$1,000	--
Comprehensive	--	\$500, \$1,000
Collision (Must be written with Comprehensive)	--	\$500, \$1,000
Lienholder Deductible	--	\$500
Uninsured/Underinsured Motorists BI	\$30,000/\$60,000	--

Coverage	Limits	Deductibles
UM Collision Deductible Waiver	--	Waivers of \$500, \$1,000
UM Property Damage	\$3,500	--
Rental Reimbursement	\$30/day Max \$900	--
Roadside Assistance	Max \$300/	--

LESSOR LIABILITY COVERAGE

This coverage provides the opportunity to purchase an option when the customer has chosen policy limits that are appropriate for their needs but must provide increased limits to the lessor to satisfy the terms of the lease agreement. This coverage is only effective while the vehicle is leased by the insured for a period of at least six months, as documented by a standard form lease agreement with expressly stated insurance coverage requirements.

The lessor liability limits are available as follows:

Bodily Injury: \$100,000 per person \$300,000 per accident
Property Damage: \$50,000 per event

These limits are not an addition to the policy limits, these will be the maximum the company will pay in any event. The provision of this coverage provided for the lessor shall in no event increase our limits of liability for any damages the insured becomes legally obligated to pay, pursuant to the terms of the policy.

Attach **QPA 223** Lessor Liability Endorsement to the policy.

RENTAL REIMBURSEMENT

Reimbursement up to \$30.00 a day, with a limit of \$900.00, equivalent to 30 days.

- Rental Reimbursement is an optional coverage offered with an additional premium charge.
- Vehicle must have physical damage coverage.
- Provides reimbursement for the expense incurred to rent a substitute auto twenty-four hours after a covered loss to a covered vehicle.
- Insured is free to choose the rental company.

ROADSIDE ASSISTANCE

Roadside Assistance is an optional coverage offered with an additional premium charge. Roadside assistance services include emergency delivery of gas, oil, fluid or water, tire, battery and locksmith service. Towing service only applies when the covered vehicle is disabled, other than being disabled due to an accident. Roadside assistance services and towing services are subject to the limits as defined in the Roadside Assistance Service Agreement.

SPECIAL COVERAGE

STEREOS/SOUND SYSTEMS

When permanently installed by the vehicle manufacturer, Comprehensive and Collision coverage is provided at no additional cost for Stereos/Sound Systems, including radios, cassette deck and CD players. All Stereos/Sound Systems are covered up to a value of \$500 after application of the deductible.

UTILITY TRAILERS

Liability only when attached to an insured car, and less than 1500 lbs.

DRIVERS

UNACCEPTABLE DRIVERS

1. An applicant or any rated driver who does not have a valid U.S., Foreign or International driver's license. If an applicant or any rated driver possesses a U.S. driver's license, then Foreign or International driver's license cannot be accepted. Matricular Consular can be accepted for any rated driver without a verifiable driver's license. Producers are responsible for collecting a copy of a valid driver's license or Matricular Consular.
2. Any driver with any of the following within the previous three years:
 - a. More than one violation(s) for driving with a suspended or revoked license, or One or more violation(s) for driving on the wrong side of road or freeway, or One or more violation(s) for vehicular manslaughter, or
 - b. One or more violation(s) for vehicle theft, or
 - c. More than one alcohol-related violation, including refusal of alcohol test and open container, or
 - d. More than one serious/major violation, or
 - e. More than one chargeable accident, or
 - f. More than 10 rating surcharge points
3. Drivers under the minimum age for state licensing or without a valid driver's permit.
4. Primary named insured cannot be under the age of 18.
5. Any driver under 21 with any of the following:
 - a. Any alcohol-related violation, including refusal of alcohol test and open container, or
 - b. a vehicle with a cost new of \$50,000 and over, unless there is more than one vehicle in the household and the young driver is not the primary driver¹, or
 - c. a vehicle classified as Sports (S), Sports Premium (P), or High (H) performance, unless there is more than one vehicle in the household and the young driver is not the primary driver¹.
6. Any driver without a valid driver's license unless the license will be or has been reinstated with an SR filing.
7. Drivers with SR filings where Qualitas Insurance Company does not insure all vehicles in the household or where SR filing is required for any state other than California.
8. Any driver with any narcotics, drug or felony conviction involving a motor vehicle.¹
9. Any currently excluded driver unless prior approval has been obtained

- from the Company.
10. Any prior Qualitas Insurance Company policyholder who has an unpaid balance due unless the outstanding balance is submitted in addition to the correct deposit premium for the new policy.
 11. Applicants who have had a policy cancelled, rescinded, or non-renewed by Qualitas Insurance Company due to fraud, misrepresentation in connection with an application for insurance or in the presentation or settlement of a claim.
 12. Drivers purchasing a policy for the sole purpose of renting a car.
 13. Drivers conducting rideshare and/or any delivery services for a fee.
 14. Any risk where the Vehicle to Driver ratio exceeds 2.00. Vehicle to Driver ratio is determined by dividing the number of vehicles by the number of drivers. For example, a risk with 5 vehicles and 2 drivers would produce a ratio of 2.50 and be unacceptable without prior underwriting approval.¹

¹ This rule does not apply to drivers who qualify as "Good Drivers" as defined in CA Ins Code 1861.025 and the vehicles insured are private passenger type vehicles as defined in CA Ins Code 660.

NAMED DRIVER EXCLUSIONS

Any person may be excluded from coverage except for individuals requiring an SR-22 filing. All household members who meet the minimum licensing age must be listed or excluded. The registered owner of the insured vehicle(s), whether licensed or not, must be listed on the application and either rated or excluded (whether they drive or not).

All vehicles registered under the named insured must be listed as rated vehicles on the policy. The named insured may be someone other than the registered owner of the vehicle if that person has an insurable interest in the vehicle. In this case, the registered owner must be listed on the policy but may be excluded from coverage. All bills, cancellation notices, and other correspondence will be mailed only to the named insured, not necessarily to the registered owner of the vehicle.

Drivers cannot be excluded from specific vehicles on a policy. Individuals who have never been licensed or have a permanently revoked license are unacceptable risks and must be excluded.

DRIVER CLASSIFICATION

- **Years Driving Experience:** The number of years which an operator has been licensed to drive in any jurisdiction. All California licensed operators with less than three (3) years of California MVR experience can provide

an out of state MVR or a copy of a Foreign Driver's license which will account for a total of 3 years or more of verifiable driving experience.

- **Married:** An operator who is a legally married person. The definition of "married" excludes common law marriages.
- **Registered Domestic Partner (RDP):** If an applicant is listed as a Registered Domestic Partner, their partner must be listed on the policy. Domestic Partners must share a common official residence. No more than two operators are allowed to be rated as Domestic Partners on a policy. Acceptable proof includes one of the following: a Domestic Partnership certificate or signed Domestic Partner affidavit.

MARRIED REQUIREMENTS

All married applicants must live in the same household and either add or exclude their spouse. Registered Domestic Partners who qualify pursuant to the California Family Code may be rated as Married. Widowed, separated or divorced persons are rated as Single. The company may require proof of marital status.

VEHICLES

UNACCEPTABLE VEHICLES

1. Vehicles not considered private passenger vehicles such as:
 - a. Pickups, vans, and panel trucks not used as private passenger vehicles.
 - b. Vehicles with an incomplete chassis, chassis and cab, utility van or truck or commercial type vehicle not considered a private passenger vehicle.
 - c. Flatbed trucks, stake trucks, dump trucks, cutaway vans, step vans, panel vans and tilt cabs.
 - d. Vehicles equipped for snow plowing.
- 1.
2. Vehicles with a cost new of \$70,000 or above for any of the following:
 - a. Drivers without three years continuous driving experience.
 - b. Drivers with more than one major violation in the past three years.
 - c. Vehicles that are not VIN etched or equipped with a passive anti-theft device.²
 - d. Principal operator is under age 21 or there is only one vehicle in a household with a driver under age 21.²
3. Vehicles not manufactured for sale/distribution in the United States (Gray Market).²
4. Vehicles not legally registered in California when the owners have been residents of California for over 30 days, except for qualifying military personnel.
5. Antiques and Classics.²
6. Custom, rebuilt, altered, or modified vehicles including kit cars and Baja/Dune Buggies.²
7. Vehicles with a load capacity (ton rating) in excess of one ton or gross vehicle weight of greater than 10,000 pounds.
8. Vehicles used to transport person(s) or property for a fee, including, but not limited to, pizza delivery, newspaper delivery, flower delivery, Uber, Lyft, Door Dash, etc.
9. Ambulances, Fire, Police or Salvage Equipment.
10. Vehicles used to carry explosives, chemicals, radioactive materials, or flammable substances.
11. Public Passenger Carrying Vehicles (Limousines, Taxis, Jitneys, Buses, etc.).
 12. Vehicles used for racing, speed contests, exhibition, or "off road".
 13. Vehicles with less than four wheels, Motorhomes and Recreational Vehicles. Examples include RV's, Travel Trailers, ATV's, motorcycles, golf carts, etc.
14. "Drive Yourself" vehicles (short-term rentals).
15. Vehicles used for transporting nursery or school children.
16. Vehicles not in safe mechanical condition.

17. Vehicles leased or rented to other operators by the applicant.
18. Vehicles with foreign license plates.
19. Vehicles from more than one U.S. household cannot be listed in the same policy. Vehicles from the same household can have split garaging addresses in Mexico and California.

² This rule does not apply to drivers who qualify as "Good Drivers" as defined in CA Ins Code 1861.025 and the vehicles insured are private passenger type vehicles as defined in CA Ins Code 660.

PHYSICAL DAMAGE COVERAGE NOT ACCEPTABLE

Vehicles 15 years or older are not acceptable.³

³ This rule does not apply to drivers who qualify as "Good Drivers" as defined in CA Ins Code 1861.025 and the vehicles insured are private passenger type vehicles as defined in CA Ins Code 660.

VEHICLE USAGE

Vehicle Use classification is determined by how the vehicle is used. The rate will be determined using one of the five following classifications:

1. **Pleasure Use** - Vehicles used only for Pleasure Use does not include driving to and from school or work (full or part-time), or to carpooling or commute station that is greater than 3 miles from home. Nor does it include the shuttling of household members to work or school. This applies to vehicles with garaging addresses in both Mexico and California.
2. **Commute US** - Vehicles used for personal use including driving to or from work within the United States.
3. **Commute MX** - Vehicles used for personal use including driving from Mexico to work in the United States.
4. **Business Use** - Private passenger vehicles registered to the applicant and used in his or her business/ occupation, or vehicles registered to the insured's business or employer, or with the insured's business or employer named as an additional insured. Only one vehicle per policy is allowed in this category. All risks require a minimum of 2 photos (including liability only) and a copy of the registration.
 - a. Acceptable Business use includes, but is not limited to:
 - Vehicles used by sales or service representatives;
 - Vehicles used by real estate or insurance producers, lawyers, doctors, accountants or other professionals visiting multiple locations;
 - Vehicles used in a business for occasional errands.
 - b. Unacceptable business use includes, but is not limited to:
 - Pickup or delivery of goods (including, but not limited to: newspapers, pizza or other food items, Door Dash);
 - Vehicles used as a limousine, taxi service, livery conveyance or emergency vehicle;
 - Vehicles used for the transportation of nursery or school children, workers or hotel/motel guests;
 - Vehicles with a load capacity of one ton or greater
 - Vehicles used for Rideshare such as Uber or Lyft.
 - Vehicles used in security patrol, parking enforcement, etc.

5. **Artisan Use** - Private passenger vehicles registered to the applicant who is a worker in a skilled trade, especially one that involves making things by hand. Only one vehicle per policy is allowed in this category. ,
- a. Acceptable Artisan occupations similar to usages such as carpenter, plumber, repairman that are principally parked at a job location for the majority of the workday. Vehicles used to transport tools or other materials by the insured in a trade are acceptable provided:
 - The vehicle is operated solely by the named insured and listed family members;
 - The vehicle must not be used to transport flammable liquids, chemicals or explosive materials;
 - The vehicle may have a toolbox, a rack (for ladders, pipe or building materials), or a tool rack (tools and equipment are not covered);
 - The vehicle is not used to pick up goods or deliver property. Vehicles may be used to carry up to 500 pounds of non-finished goods and materials relating to the work to be performed;
 - The vehicle is used to visit no more than 3 sites per day within a 50-mile radius;
 - The vehicle may have signage, which indicates insured's name and type of service (i.e., "Joe's Pool Cleaning")
 - b. All artisan risks require a minimum of 2 photos (including liability only) and a copy of the registration.

GEOGRAPHIC ZONES

The rater automatically assigns geographic zones based on the garaging ZIP code. If the insured uses a post office box as a mailing address, the physical garaging address of each vehicle, including zip code, must also be provided. U.S. Postal Service check must be made to confirm a deliverable mailing address.

New zip codes (as a result of the USPS issuing a new one) are added to the frequency and severity bands as they are requested, then added to the next filing.

DISCOUNTS

GOOD DRIVER DISCOUNT

(Applies to all coverages)

A discount will be applied on a *per vehicle* basis where all drivers assigned to that vehicle qualify as "Good Drivers" as defined in the California Insurance Code 1861.025. In order to qualify, a driver must:

1. Driver of the insured vehicles must be continuously licensed for the prior 3 years with a minimum of 18 months United States or Canada driving experience and a minimum of 3 years total driving experience, and
2. During the previous three (3) years has not:
 - a. Had more than one violation point determined as follows:
 - Had more than one (1) violation point for each violation point which has been assessed by the California Department of Motor Vehicles under California Vehicle Code Section 12810, Subsections (a), (b), (c), (d), (e), (g), and (h), for traffic violation convictions with conviction dates not more than three years preceding the effective or renewal date of the policy and which have not been made confidential under the California Vehicle Code.
 - For violations not occurring in California, one violation point will be counted for each violation point which would have been counted had the violation occurred in California.
 - Count one violation point if a driver was involved in an accident which resulted only in damage to property if the driver was principally at fault in the accident.
 - b. Been found to be in violation of Section 23140 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.

Note: The definition of "Principally at Fault" can be found on page 19 of this manual.

3. During the previous ten (10) years has not been convicted of:
 - a. A violation of Section 23140, 23152, or 23153, of the Vehicle Code.
 - b. A felony violation of Section 23550 or 23566 of the Vehicle Code.
 - c. A violation of Section 191.5 or subdivision (a) of Section 192.5 of the Penal Code.

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

MULTI-CAR DISCOUNT

(Applies to all coverages except Towing & Labor and Rental Reimbursement)
When there are multiple vehicles insured under a single policy, a multi-car discount will be applied to like coverage on all listed vehicles provided they are registered to a named insured and garaged at the same address.

MATURE DRIVER DISCOUNT

(Applies to All Liability Coverages)

The Mature Driver Discount is available for drivers 55 or more years of age who have completed a State approved Driver Safety Course and who are rated as the principal operator of a vehicle. A copy of the Certificate of Completion must be submitted to the Company to obtain the discount. The discount is applicable for a period of three (3) years from the date of the certificate. In order to continue to receive this discount, the driver must enroll and successfully complete the Driver Safety Course once every three (3) years.

This discount does not apply in the event the insured completed the course due to a court order. The Company may discontinue the discount of any insured found to be at fault in an accident, or is convicted of a moving violation or traffic-related offense involving alcohol or narcotics.

RENEWAL DISCOUNT

(Applies to all coverages except Towing & Labor and Rental Reimbursement)
A discount will apply if the named insured has had Liability coverage with Qualitas Insurance Company for greater than one full term and no more than 30 days of lapse occur between terms.

SURCHARGES

VIOLATIONS

Violations are classified as either Minor or Serious/Major. Minor violations are assessed one (1) rating surcharge point per incident. Serious/major violations are assessed two (2) points for the first incident and eight (8) points for each additional incident. Driving record points are assigned based on the violation conviction date, not the occurrence date.

VIOLATIONS IN THE COURSE OF EMPLOYMENT

Violations received while operating a motor vehicle for compensation during the hours of employment are not surcharged provided a written declaration from the employer is submitted stating the violation(s) was received in the course and scope of the insured's employment. However, the following violations received in the course of employment will not be waived:

- Section 14601.(a) - (Driving when privileges suspended or revoked...)
- Section 14601.1(a) - (Driving when privileges revoked or suspended...)
- Section 14601.2(a) - (Driving when privileges suspended or revoked...)
- Section 20001 or 20002 - (Duty to stop at scene of accident...Duty upon injury or death)
- Section 20008.(a) - (Duty to report accidents)
- Sections 23103, 23104, 23152, or 23153 – (Reckless driving...Driving under the influence...)

TRAFFIC SCHOOL

The first Traffic School dismissal will not appear on the MVR. Subsequent citations within 18 months will show on the MVR even if the driver attends Traffic School again. Those dismissed citations that appear on the MVR will be surcharged. If there are two (2) or more dismissals appearing on the MVR, that person would not qualify as a "Good Driver".

MULTIPLE OCCURRENCES

Drivers with three (3) or more occurrences within the previous 3-year experience period will be charged three (3) points in addition to the accident and/or violation points for those occurrences. The occurrences can be chargeable violations, chargeable accidents, or any combination of both.

ACCIDENTS

Chargeable accidents are assessed three (3) surcharge points for the first fault

accident and eight (8) surcharge points for each additional fault accident. An accident is considered chargeable if the occurrence resulted in liability (BI/PD) or collision damage exceeding \$1,000 and the driver was at least 51% at fault. Acceptable proof of no-fault would include:

- Police Report that clearly indicates who the at-fault party is.
- Letter of Experience from the insured's insurance carrier at the time of loss.
- Written statement from the other party's insurance carrier accepting fault.
- Legal document verifying the insured was reimbursed for damages.
- Insured self-certifications may also be acceptable, however, in the event an at-fault accident is declared a non-fault accident by the insured using self-certification, the policy may be subject to cancellation for material misrepresentation.

Note: We will charge for any undisclosed accidents that appear on any investigative report we obtain.

DEFINITION OF “PRINCIPALLY AT FAULT”

For the purposes of determining whether a driver is “principally at fault” in an accident, the driver’s actions or omissions must be at least 51% of the proximate cause of the accident, subject to the exceptions set forth below, and, in accidents not resulting in death, if the total loss or damage caused by the accident exceeds \$1,000.

It shall be rebuttably presumed a driver is not principally at fault if the accident occurred under any of the following circumstances:

- 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;
- 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;
- 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;
- 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;
- The accident resulted from contact with animals, birds or falling objects;
- The driver was responding to a call of duty as a paid or volunteer member of any police or fire department, first aid squad, or of any law

enforcement agency, while performing any other governmental function in a public emergency;

- 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).
- 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.

VEHICLE PERFORMANCE SURCHARGE

(Applies to all coverages except Comprehensive)

Vehicles identified as either Intermediate (I), Sports (S), Sports Premium (P), or High (H) performance by their ISO Symbol will be assessed a performance surcharge.

SALVAGED VEHICLE SURCHARGE

(Applies to Bodily Injury Liability, Property Damage Liability, Comprehensive, and Collision coverages only)

A surcharge will apply when a vehicle possesses a Salvaged title. Underwriting may require a minimum of two photos.

DOCUMENTATION AND PROCEDURES

NEW BUSINESS

All new business submissions require the following:

1. Electronically Generated Applications – fully completed and signed by the applicant and the Producer.
2. State mandated Community Service Statement.
3. California Uninsured Motorist Rejection/Selection Form – when coverage is declined.
4. Exclusion of Specified Individuals – when needed, listing all excluded individuals and signed by the applicant.
5. De-Valuation Form - when needed, for all salvaged vehicles rated on the policy.
6. Additional documentation as noted below.

Note: All of the following persons must be disclosed

- All resident and non-resident primary or occasional operators of all insured vehicles. All full-time and part-time residents (no matter how old) of the insured's household. All full time and part time residents (no matter how old) of all garaging locations.
- All dependents away at school or in the military.
- All registered and co-registered owners of all insured vehicles and their spouses.

Failure to disclose all of the above is grounds for concealment and/or misrepresentation which may result in policy rescission and no coverage or defense provided in the event of a claim.

COMMUNITY SERVICE STATEMENT

The California Department of Insurance requires that a completed Community Service Statement form be submitted with all new business applications. The Community Service Statement form is to be completed by the insured. If the insured does not wish to complete the form, they may elect to check the box declining to provide the information.

CALIFORNIA UNINSURED MOTORIST COVERAGE REJECTION/SELECTION FORM

If an insured elects to decline Uninsured Motorist coverage, a California Uninsured Motorist Coverage Rejection/Selection Form, signed by the Insured must also accompany the Application.

NAMED DRIVER EXCLUSION

(If Applicable)

The Named Driver Exclusion form requires the applicant's signature and a listing of all the following persons if they are not to be rated as drivers on the policy:

- All full-time and part-time residents of the household over the age of 15.
- All full-time and part-time residents of all garaging locations over the age of 15. All dependents away at school or in the military.
- All registered and co-registered owners of the insured vehicles.
- When submitted at inception, this form will apply to all subsequent renewals unless the insured requests a change in writing.

PHOTOS

Photos showing all four (4) sides of the vehicle are required at the time the application is submitted for all vehicles requesting physical damage coverage. New vehicles purchased from a franchise dealer written within 72 hours of purchase do not require photos.

ADDITIONAL DOCUMENTATION REQUIREMENTS

Along with the fully completed Application, the Community Service Statement and the California Uninsured Motorist Rejection/Selection form (when required), additional documentation must also be submitted:

- Proof of non-fault for any accident noted on the application as not chargeable. Please see Page 19 for a list of acceptable proof of non-fault.
- Proof of accidents in the course and scope of employment where the driver was responding to a call of duty as a paid or volunteer member of any police or fire department, first aid squad or of any law enforcement agency, while performing any other governmental function in a public emergency.
- Note: Fault accidents occurring during employment in circumstances other than as stated above are chargeable.
- Copy of Mature Driver Completion Certificate to support Mature Driver Discount.
- Listing of all stereos/sound systems and additional equipment/modifications showing current value for each item and/or system to be covered under a Special Equipment endorsement.
- Copy of Producer's quote showing all information used to obtain the quoted premium.
- Proof of Marriage.
- Copy of a valid CA vehicle registration for all listed vehicles.
- Proof of garaging addresses in Mexico for all rated vehicles. Acceptable proof of garaging address includes a utility bill, I.D., property tax documents, rental contract, etc., where a rated driver's name is shown. If the vehicle is garaged outside of the "Northern Border Free Zone" as defined by the Mexican Government, then a copy of the temporary import permit must be obtained and provided.

ENDORSEMENTS

Endorsement requests must be submitted via our electronic system and must be dated and signed by the Producer.

Endorsement Request forms along with all supporting documentation must be postmarked within three (3) days of the Producer's receipt of the Insured's request for endorsement.

In the limited circumstance where the supporting documentation (i.e. proof of non-fault, etc.) is not available within three (3) days of the Producer's receipt of the Insured's request for endorsement, the Endorsement Request form must still be submitted within three (3) days and the Producer must indicate in the remarks section of the form when the required documentation will be submitted (in no event more than seven (7) additional days).

NEWLY ACQUIRED VEHICLES (ADDITIONAL OR REPLACEMENT)

Request for vehicle additions or substitutions require the following documentation and information within 72 hours of purchase:

- Annual Mileage as calculated using one of the formulas presented in the "Annual Mileage Calculation" section of this manual.
- Name(s) of Registered Owner(s).
- Usage of vehicle.
- Name and address of any Loss Payee or Leasing Company if applicable.
- Photos (4) are required at the time the application is submitted.
- De-Valuation Form for all salvaged vehicles rated on the policy.

DELETION OF VEHICLE

Request for vehicle deletions require that the annual mileage(s) for the remaining insured vehicle(s) be recalculated and stated on the Endorsement Request form.

ADDITIONAL DRIVERS

Any driver to be added to a policy must meet the same qualifications as drivers on a new business application and must not be currently excluded. The following documentation is to be submitted with the request to add the driver:

- Proof of non-fault for any accident noted on the application as not chargeable. Please see Page 19 for a list of acceptable proof of non-fault.
- Proof of accidents in the course and scope of employment where the driver was responding to a call of duty as a paid or volunteer member of any police or fire department, first aid squad or of any law enforcement agency, while performing any other governmental function in a public emergency.
- Note: Fault accidents occurring during employment in circumstances other than as stated above are chargeable.
- Copy of Mature Driver Completion Certificate to support Mature Driver Discount.

DELETION OF DRIVER

Requests to delete drivers require an explanation for the deletion (i.e., divorced, moved out, deceased, etc.). We may, in certain circumstances, require that the deleted driver be excluded. If the deletion of driver changes the annual mileage and/or use of any insured vehicle, the new mileage and/or use must be indicated on the Endorsement Request form.

ADDRESS CHANGES

Changes of address require the following information:

- Indicate whether the change is for the mailing address, garaging address or both.
- If the mailing address is a P.O. Box, include the actual garaging address.
- Provide annual mileage based on the new address.
- Provide names, birth dates and driver's license numbers for any new household or garaging address residents, regardless of age.

NAME CHANGES

Name changes for the Named Insured or any driver require the following:

- Reason for change in name (i.e., recently married, legally changed, etc.).
- If name has been changed due to marriage, provide the name, birth date and driver's license number of the spouse and any other new members of the household.

MILEAGE CHANGES

Requests for change in annual mileage must be substantiated by at least one of the following:

- Change in commute distance due to change in garaging location or employment/school location.
- Driver's participation in a "carpool" program or public transportation for commute.
- Odometer reading documentation (i.e., smog certificates) that clearly states what the odometer readings were on specific dates so that actual elapsed mileage can be calculated. The dates must be a minimum of three (3) months apart, with the most recent date within thirty (30) days of the change request.
- Change in household residents or vehicles that would have a substantial impact on the usage of the vehicle.

LIMIT AND COVERAGE CHANGES

Eligibility requirements and additional forms are as follows:

- Deletion of Uninsured Motorist coverage requires a revised California Uninsured Motorist Coverage Rejection/Selection form, signed and dated by both the Named Insured and the Producer.

RATING

DRIVER ASSIGNMENT

For each driver, the insured will be asked to indicate which vehicle is used most often by that driver. The rated driver for each vehicle will be determined as follows.

Each driver will be ranked by a driving factor that is calculated using all the driver related variables for Bodily Injury Coverage.

Driver Factor = Driver Class x Points x Mature Driver x Good Driver

Each vehicle will be ranked by a vehicle factor that is calculated using all the vehicle related variables for Comprehensive Coverage.

Vehicle Factor = Model Year x Symbol x Annual Mileage x Vehicle Use x Deductible x Vehicle Performance x Salvaged Vehicle

Every vehicle must be assigned to a different rated driver. Vehicles driven most often by only one driver will be assigned to that driver as its rated driver. After that, vehicle assignment will continue with the highest rated vehicle. If the same vehicle is driven most often by two or more drivers, the rated driver will be the assigned driver with the highest Driver Factor. If a vehicle has no drivers assigned by the insured, the rated driver will be the highest rated driver that has yet to be assigned to a vehicle. When there are more vehicles than drivers, the excess vehicles will be rated with an Excess Vehicle Driver Class factor and no driving record points. The Mature Driver Discount will be applied to excess vehicles only if all drivers on the policy qualify for the discount. The Good Driver Discount will be applied to excess vehicles only if all drivers on the policy qualify for the discount.

ANNUAL MILEAGE CALCULATION

The annual mileage estimate will represent the annual mileage the Insured expects the vehicle to be driven for the twelve months following policy inception or renewal. As set forth in CCR Section 2632.5, we may also require or request information from the Insured to support the estimate.

1. For New Business or vehicles added during the term of the policy:
 - a. The insured shall provide the miles he or she expects each vehicle will be driven during the twelve-month period following policy inception. We may also require or request the information necessary to support the mileage estimate from the Insured during this process (see sections 3 and 4 below) as set forth in CCR Section 2632.5 (C), (D), and (E).

- b. If the insured does not provide the estimated annual miles or does not provide required or requested information, we may issue a policy using the default annual mileage of 14,000.
 - c. If the information provided does not support the Insured's estimated annual miles, we may issue a policy using a reasonable objective mileage estimate based upon the information provided.
 - d. We shall inform the applicant of the mileage figure to be used to rate the policy.
2. For Renewal Business:
- a. During the renewal process, we shall, at least every three years, request an insured to provide the estimate annual miles he or she expects each vehicle will be driven during the twelve-month period following policy renewal. We may also require or request information necessary to support the mileage estimate from the Insured during this process (See sections 3 and 4 below)
 - b. If the insured does not provide the estimated annual miles or does not provide any required or requested information, we may issue a policy using the greater of the expiring annual miles or the default annual mileage of 14,000.:
 - c. If the information provided does not support the insured's estimated annual miles, we may issue a policy using a reasonable objective mileage estimate based upon the information provided.
 - d. We shall inform the applicant of the mileage figure to be used to rate the policy.
3. We may require or request an insured to provide the following information:
- a. If the vehicle is used for commuting purposes, the location of the workplace, school, or other destination where the vehicle will be driven and, if applicable, an estimate of the number of one-way miles the vehicle will be driven for commute purposes.
 - b. The number of days per week the vehicle will be used for commuting.
 - c. An estimate of the number of miles to be driven for pleasure or other purposes.
 - d. The approximate total number of miles driven for the twelve months following policy inception or renewal.
 - e. The current odometer reading of the vehicle(s) to be insured.
 - f. The reason for any differences between the estimate for the upcoming twelve months and the miles driven the previous twelve months.

4. We may request but shall not require an insured to provide the following information:
 - a. Service records which document the odometer reading of the vehicle(s) to be insured.
 - b. The use of technological devices provided by the insurer or otherwise made available to the insured that accurately collect vehicle mileage information.
 - c. We may obtain and use smog check odometer readings to estimate annual miles driven.

CLAIMS

To ensure the most immediate and efficient response, the policy holder should report claims directly to the Company at (844)-765-6380 or e-mail us at claims@qualitasins.com.

LATE PAYMENTS

Payments must be postmarked PRIOR to the due date to reinstate a policy without a lapse. Payments mailed to the wrong addresses and then returned will be considered late payments and original postmark dates will not be used for reinstatements.

All payments received in a producer's office on a cancelled policy will be subject to review for acceptance. If the payment is accepted, the lapse date will be the DATE AFTER UPLOADING OF THE PAYMENT. The policy will have a lapse in coverage from the effective date of cancellation until the effective date of the reinstatement and a reinstatement fee will be charged.

If the lapse in coverage is more than 30 days, a new policy must be started.

If a claim should occur between the time the producer accepted the money and the reinstatement date, due diligence will be conducted by the Claims Department to assess coverage.

We will NOT reinstate any policies wherein an insured's check is returned due to non-sufficient funds. The Guidelines are as follows:

- Return payments will result in flat cancellation.
- Returned payments on the down payment for new business and the policy has a future cancellation date due to Underwriting Reasons/Substantial Increase in Hazard Insured Against will result in flat cancellation.
- Returned payments mid-term will result in cancellation that will reflect a date 11 days in the future.

FEES

All fees are fully earned. When payments are received, any outstanding fees will be paid first and the remaining monies will be applied to the premium balance.

Fees are assessed as follows:

- **Policy Fees** – All policies will be charged a policy fee at new business and at renewal. This fee is in addition to any applicable installment fee. This fee is fully earned upon cancellation.
- **Installment Fees** – There is a fee on every installment, including the deposit, for all pay plans.
- **EFT Fees** – There is a fee on every installment, including the deposit, for all EFT transactions. This fee is in lieu of the non-EFT installment fee.
- **Endorsement Fee** – A fee will be charged to a policy when an insured requests change to their policy.
- **Reinstatement Fees** – When a policy has been cancelled for any reason and is subsequently reinstated, a reinstatement fee will be charged.
- **Returned Item Fee** – A fee is charged whenever the bank does not honor a payment. If the Company agrees to accept replacement funds those funds must be in the form of a cashier's check, credit card or money order. If those replacement funds are accepted and the coverage is reinstated, the reinstatement fee will be charged in addition to the Returned Item fee.
- **SR-22 Fee** – A fee will be charged for an SR-22 filing at new business. A fee will be applied to the policy for any SR-22 reinstatement filings.
- **CA Vehicle Assessment & Fraud Fee** - A fee will be charged per vehicle per year. The fee is used to fund the investigation and prosecution of fraudulent automobile insurance claims as per the California Department of Insurance Code, Sections 1872.8, 1872.81 and 1874.8.

Our general agents charge a non-refundable credit and debit card processing fee of \$7.50 per transaction. The fee is neither included in the Company's revenue nor is it used for rating.

PAYMENT PLAN OPTIONS

Only a six-month policy term is available.

Payment options include:

- Payment in full
- Down payment plus one (1) installment
The down payment will include 50% of the premium plus all applicable fees. The next one (1) installment of the remaining premium will be due in 60 days.
- Down payment plus two (2) Installments
The down payment will include 34% of the premium plus all applicable fees. The first of the remaining two (2) equal installments will be due in 30 days. The second of the remaining two (2) equal installments will be due in 90 days.
- Down payment plus five (5) Installments
The down payment will include 24% of the premium plus all applicable fees. The remaining five (5) equal installments will be billed every 30 days.
- Down payment plus five (5) Installments
The down payment will include 16.67% of the premium plus all applicable fees. The first of the remaining five (5) equal installments will be due in 18 days. The remaining four (4) equal installments will be billed every 30 days thereafter.

If the installment due date falls on a non-business day, the installment will be due the following business day.