

First Acceptance Insurance Company

CALIFORNIA AUTO PROGRAM

Underwriting Manual

Effective March 2024



UNDERWRITTEN BY:
FIRST ACCEPTANCE INSURANCE COMPANY, INC.

First Acceptance Insurance Company
California Auto Product Rules
(997)

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Rule G-2: Policy Section

This program offers personal private passenger automobile coverage subject to all rules and procedures in this manual. The policy jacket defines eligible "Insured Auto" and is provided to the new policyholder and upon renewal if an approved change has been made. See "Underwriting", Section U for rules governing risk acceptance by the Company.

Rule G-19: Named Operator Exclusions

The Company permits applicants/policyholders to exclude specific persons from coverage and from rating. To exclude a person, complete the driver exclusion endorsement on the application. The applicant/policyholder must sign the exclusion form.

Rule U-1: Term

Policies may be written for a term of one month, three months, six months or twelve months. The published base rates are for a 12 month term.

Term	Factor
12 Months	1.0000
6 Months	0.5000
3 Months	0.2500
1 Month	0.0833

Rule U-2: Assignment of Drivers to Vehicles

SINGLE VEHICLE

Our rating order assigns the operator that generates the highest total premium to the vehicle.

MULTIPLE VEHICLES

Our rating order assigns the combinations of operators and vehicles that generate the highest premium.

EXCESS VEHICLE (EV)

When there are more vehicles than operators on a policy, use the designated EV relativities for driving experience and years licensed. For driving record relativities, use the following designation:

EV1 = If there is only one EV on the policy, rate the EV using the EV1 factor.

EV2 = If there are two EVs on the policy, rate both EVs with the EV2 factor.

EV3 = If there are three or more EVs on the policy, rate all EVs with the EV3 factor.

EVs will receive the 20% Statutory Good Driver Discount as long as all driver(s) on the policy qualify for at least the 20% Statutory Good Driver Discount.

Rule U-3: Basic Rating Rules — All Coverages

Basic Rating Rules — All Coverages

Disclosure and completion of the Application in its entirety is required to ensure the policy is issued accurately:

To facilitate proper rating, we require the applicant to disclose the following:

- (1) All regular and occasional operators, whether or not they reside in the applicant's household, and
- (2) All individuals residing in the household age 15 or older whether or not they have a valid driver's license.

Future Expected Annual Mileage:

- (1) Each question relating to the applicants expected annual mileage completed accurately and completely.
- (2) Failure to complete the questions or if the applicant's response does not support the annual mileage questions, the default annual mileage band of 10,000 annual miles will be used to rate the vehicle(s).

Rating Classification of Eligible Operators:

- (1) Persons to be excluded from rating and coverage must be listed on the exclusion form provided on the application.
- (2) Rate is determined using each operator's driving record. We do not add surcharge points from one operator to the surcharge point count of another operator.
- (3) Driver Class is determined from the total number of years of licensed driving experience and marital status of the operator. When a driver claims to have licensed driving experience and a valid driver's license is not found or submitted to the Company, years licensed to drive will be determined by calculating the drivers' age minus 16. Marital status classifications are "Single", "Married" or "Registered Domestic Partner" ("RDP"). "Single" includes unmarried, widowed, and divorced, married but not living with spouse or not living with "RDP". To be classified as "Married", both spouses must be residents at the same household address. Person(s) fulfilling the "RDP" requirements will be rated as married.

NOTE: Registered Domestic Partner ("RDP") Requirements:

- (1) Persons requesting the "RDP" status must be registered with the Secretary of State of California.
- (2) A person claiming RDP must reside in the same household with his/her partner who is shown on the registration certificate.

VEHICLES:

We insure "Insured Auto" as defined by our policy language.

Vehicle Rating factors are determined by the vehicle model year, make, model, and other information represented in the Vehicle Identification Number.

Rule U-4: Age Determination of Vehicles

The company determines the age of the vehicle by model year.

Rule U-5: Specific Rules for Pickups, Vans and Utility Vehicles

Load capacity (1/2 or 3/4 ton) and use of pickups, panel trucks, vans and utility vehicles is required for underwriting and rating.

Custom & Special Equipment must be listed for coverage to apply.

Dealer customized (non-factory authorized modifications or parts) or after-market customized vans are acceptable as long as the current market value, excluding Custom & Special Equipment, does not exceed the values listed in **the Maximum Value Table** and as long as **the Custom/Special Equipment is listed on the declarations page and a premium is paid**. Examples of dealer or after-market customization are:

- Special carpeting and insulation, furniture or bars
- Sleeping facilities
- Height extending roofs
- Custom murals, paintings, decals or graphics

MAXIMUM VALUE OF PICKUPS, VANS AND UTILITY VEHICLES

The pickup, panel truck, van or utility vehicle is unacceptable if the current market value, excluding Custom/Special Equipment, exceeds the maximum found in the following table. **This maximum value does not apply as long as drivers on the policy qualify for the CA Prop. 103 Good Driver Discount.**

<u>Model Year</u>	<u>Maximum Value</u>
2008 and newer	\$61,000
2007	\$59,000
2006	\$57,000
2005	\$55,000
2004	\$52,000
2003	\$50,000
2002	\$48,000
2001	\$46,000
2000	\$42,000
1999	\$40,000
1998	\$36,000
1997	\$32,000
1996	\$28,000
1995	\$26,000
1994	\$24,000
1993	\$22,000
1992	\$20,000
1991	\$18,000
1990	\$16,000
1989 and prior	\$14,000

Rule U-6: Students Away at School

Full-time students living and garaging their vehicle at school, not at their parent(s) or legal guardians permanent garaging address, must apply for their own policy.

Rule U-7: Unacceptable Risks and Operators

For a more comprehensive list of unacceptable risks, please refer to the policy jacket.

The following is a list of Unacceptable Risks regardless of driver status:

- Operators with a suspended or revoked license that are not filing an SR-22 that reinstates the license
- Listed drivers that do not reside at a permanent, verifiable residence address in California at least 10 months per policy year. This includes persons living in their vehicle, migratory risks and transients.
- Operators who possess a Michigan license.**
- Risks with Autos at more than one garaging address. This includes requests to cover students garaging a vehicle away at school at an address that is different from the parent's or legal guardian's garaging address on the same policy
- Military personnel stationed outside of California.
- Risks that develop more than 30 Acceptance points on any one driver.

The following is a list of unacceptable vehicles regardless of driver status:

- Vehicles not garaged in California
- Vehicles not registered to the applicant/policyholder unless:
 - The owner of the vehicle is listed as a driver or is excluded.
 - The owner of the vehicle may be listed as an "additional interest" only if collision and comprehensive are covered on the policy.
- Grey Market/Salvage Vehicles that do not meet California or U.S safety and emissions standard
- Vehicles equipped for snow plowing

The following is a list of unacceptable vehicles for Physical Damage Coverage:

- Vehicles over 15 years old**
- Vehicles that have an Actual Cash Value over \$61,000**
- Salvage vehicles (If the vehicle is determined to be a Significant Increase In Hazard Insured Against or the vehicle cannot be registered in California, then the vehicle is unacceptable regardless of driver status)**

**These rules do not apply if all drivers listed on the policy are Prop.103 CA Good Drivers. If the applicant is a California Good Driver and wishes to exclude all non-California Good Drivers in the household from the policy, the examples outlined above, is acceptable.

Rule U-7: Unacceptable Risks and Operators (cont'd)

The following is a list of unacceptable vehicles for all coverages:

- Vehicles that are custom built, limited production, kit cars, replicas, show cars or antique cars.(1)*
- Vehicles that have altered suspensions or have any modification that mechanically or structurally alters its performance or appearance.(1) *
- Vehicle(s) not registered to an individual(s).

*These rules do not apply as long as all drivers listed on the policy are Prop. 103 CA Good Drivers. If the applicant is a California Good Driver and wishes to exclude all non-California Good Drivers in the household from the policy, the examples outlined above, is acceptable.

(1) Vehicle(s) must meet the definition of "Insured Auto" in the policy and must be able to be registered in the State of California. If the vehicle(s) do not meet this requirement, they are ineligible regardless of driver status.

Where the ineligible vehicle rule (*, **) is waived for a Prop. 103 California Good Driver Policy, the following must be submitted for approval prior to binding or issuing the policy:

1. The completed application for insurance,
2. A current California vehicle registration certification showing the applicant or insured as the registered owner of the vehicle,
3. Current evidence of smog certification,
4. A completed and signed inspection form with three photographs (at least two photos showing all four sides of the vehicle and one showing a legible yin plate), and
5. Evidence that the vehicle is in compliance with California Code of Regulations sections 2632.19 (b)3.

Rule U-10: Vehicle Use Guidelines

PLEASURE USE

Pleasure use includes driving for pleasure, to and from work or school, and for farm or ranch use. There should be no regular (daily or weekly) business use of the vehicle other than commuting to and from work or school. Farm use cannot include delivery of produce or animals.

BUSINESS USE

The Business Use Charge will be applied to all vehicles disclosed as used for business

Private passenger autos owned or leased by the applicant and used in their business or occupation are acceptable.

Vehicles, including pickups, vans and utility vehicles, used by sales and service representatives and real estate agents are acceptable for business use as long as no operator has more than 5 points.

Pickups, vans and utility vehicles are unacceptable for business use unless the risk meets the Artisan Risk Guidelines.

All business use vehicles will have a 25% surcharge applied. The surcharge will apply to all coverages on the vehicle.

Rule U-11: Unacceptable Business Use

The following vehicles are unacceptable for business use:

- Vehicles used commercially
- Vehicles with logos or advertising on them
- Vehicles owned or leased by a partnership or corporation
- Vehicles visiting, on average, 4 or more job sites per day
- Pickups, panel trucks, vans and utility vehicles that do not meet artisan guidelines found in Rule U-12.

Rule U-12: Artisan Risk Guidelines

Artisan vehicles are used to carry tools and supplies between the insured's home and job site. **The Business Use Charge will be applied to Artisan Vehicles.** Pickups, panel trucks, vans and utility vehicles are acceptable for business if they meet the following guidelines:

- Vehicles visit, on average, no more than 3 job sites per day.
- Vehicle is wholly owned by an individual.
- Vehicle is the only one used and owned by the insured for business purposes.
- Vehicle is operated only by the insured or other family members. No employee operators are permitted.
- Vehicle may only be driven within a radius of 100 miles of the garaging address for business purposes.
- Vehicle may not carry equipment that weighs more than 500 pounds.

EXAMPLES OF ARTISAN PROFESSIONS

Appliance Repairman*	Janitorial Serviceman*
Appraiser*	Landscape Contractor*
Blacksmith	Musician
Cabinet Maker/Installer	Painter
Carpenter	Photographer*
Carpet Cleaner/Installer*	Plumber*
Construction Contractor*	Pool Cleaner Maintenance*
Drapery Installer*	Radio/TV Repairman*
Electrician*	Refrigeration Serviceman*
Exterminator*	Repairman (general)*
Fence Installer	Roofer
Furniture Repairman*	Surveyor
Heating/AC Repairman*	Tree Trimmer*
Interior Decorator*	Upholsterer
	Welder

*Note: These professions would likely visit more than one (1) site per day.

Rule U-13: Reserved For Future Use

Rule C-1: Coverages Offered Under This Program

Coverages Offered Under This Program

1. Bodily Injury
2. Property Damage
3. Medical Payments
4. Uninsured Motorist Bodily Injury
5. Uninsured Motorist Property Damage
6. Collision Damage Waiver
7. Comprehensive
8. Collision
9. Roadside Assistance
10. Rental Reimbursement
11. Custom Special Equipment
12. Named Driver Non-Owner Policy

Rule C-2: Bodily Injury / Property Damage Limits

BODILY INJURY/PROPERTY DAMAGE

The following limits are available:

\$15/30/5

\$15/30/10

\$20/40/10*

\$20/40/15*

\$25/50/10*

\$25/50/15*

\$25/50/25*

All vehicles on a multi-vehicle policy must have the same limits. If one vehicle has liability coverage, all vehicles on the policy must have liability coverage

*All rated drivers listed on the policy must have a verifiable MVR and a valid and current U.S. drivers license or be a CA Prop 103 Good Driver.

Rule C-2.a: Bodily Injury/Property Damage Limits Factors

BI Limit	Factor
15,000/30,000	1.00
20,000/40,000	1.20
25,000/50,000	1.25

PD Limit	Factor
5,000	0.95
10,000	1.10
15,000	1.15
25,000	1.23

Rule C-3: Lessor Liability Coverage

The Lessor Liability Endorsement provides the opportunity to purchase an optional endorsement when the customer has chosen policy limits they think are appropriate for their needs, but must provide increased limits to the lessor to satisfy the terms of the lease agreement.

In exchange for an increased premium, this coverage will be added to the insurance policy.

The provisions in this coverage are 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 following lessor liability limits are available:

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

This coverage provided is in addition to that listed on the declarations page and is only available to indemnify the lessor pursuant to the terms listed in their policy.

The provision of the coverages in this endorsement 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.

Rule C-3.a: Lessor Liability Coverage Factors

Bodily Injury		Property Damage	
15/30	1.40	5,000	1.70
20/40	1.30	10,000	1.30
25/50	1.20	15,000	1.15
		25,000	1.10

Rule C-4: Medical Payments Coverage

The following limits are available for Medical Payments Coverage:

\$500 \$1,000

Rule C-4.a: Medical Payments Coverage Factors

Limit	Factors
500	0.95
1,000	1.00

Rule C-5: Uninsured Motorist Bodily Injury Limits

The following limits are available for Uninsured Motorist Bodily Injury:

\$15/30

\$20/40

\$25/50

UMBI limit must be the same for all vehicles listed on the policy. UMBI limit can be less than or equal to the BI Limit on the policy but cannot exceed the BI Limit. The applicant has the option to select, reject or reduce UM coverage. All operators on the policy must have the same limits. In order to process UM coverage the operator's signature is required on the selection/rejection/reduction form. Change to BI coverage levels may also cause a corresponding change in UM coverage levels. New UM signed forms may need to be signed and submitted with the endorsement request.

Rule C-5.a: Uninsured Motorist Bodily Injury Factors

Limit	Factor
15/30	1.00
20/40	1.35
25/50	1.40

Rule C-6: Uninsured Motorist Property Damage

Uninsured Motorists includes coverage for Property Damage to the insured car. UMPD claims are subject to a deductible amount of \$100.

1. Uninsured Motorist Property Damage limits are the lesser of:
 - a. the actual cash value of the insured car; or
 - b. the amount necessary to repair or replace the insured car; or
 - c. \$3,500

NOTE: This coverage must be accepted or rejected in writing. The named insured must complete and sign an Uninsured Motorist coverage election form as a part of the application. If this form is not signed by the applicant, Uninsured Motorists coverage will be added to the policy.

Rule C-6.a: Uninsured Motorist Property Damage Factor

UMPD Factor 1.00

Rule C-7: Collision Damage Waiver

When an insured requests Uninsured Motorists coverage in conjunction with Physical Damage coverage, Collision Damage Waiver will be applied in lieu of Uninsured Motorists Property Damage. The premium for this coverage is based on the selected collision deductible.

Rule C-7.a: Collision Damage Waiver Factors

Deductible Amount	Factor
\$100 (renewal only)	1.00
\$225	1.05
\$250	1.10
\$475	1.40
\$500	1.43
\$750	1.60
\$950	1.75
\$1000	1.86
\$1500	2.00

*Deductible is based on Collision Deductible

Rule C-8: Physical Damage Coverage Deductibles

Physical Damage only policies are acceptable provided the following rules are followed:

1. On a multi-vehicle policy, if one vehicle requires Liability, all vehicles must have Liability coverage. A split policy where one vehicle has liability and one vehicle has physical damage only is UNACCPETABLE.

NOTE: If a multi-vehicle application is received where one vehicle has Liability coverage selected and one does not, Liability will be applied to all vehicles. This policy will be set up for cancellation.

2. Collision coverage will not be written without Comprehensive coverage. Comprehensive coverage will not be written without Collision coverage.
3. Rental Reimbursement coverage will not be written without Physical Damage coverage. If Rental Reimbursement is written on one vehicle, it must be written on all vehicles with Physical Damage coverage
4. Collision and Comprehensive deductibles do not have to be the same. The following deductibles are available:

\$225	\$250	\$475	\$500
\$750	\$950	\$1,000	\$1,500

Rule C-8.a: Physical Damage Coverage Deductible Factors

Deductible Amount	Collision	Comprehensive
\$100 (renewal only)	1.80	1.80
\$225	1.60	1.60
\$250	1.45	1.58
\$475	1.40	1.40
\$500	0.96	1.03
\$750	0.80	0.85
\$950	0.75	0.80
\$1000	0.74	0.68
\$1500	0.68	0.65

Rule C-9: Leinholder Deductible

The leinholder will be afforded the deductible carried on the vehicle.

Rule C-10:

Reserved for future use.

Rule C-11: Custom/Special Equipment Coverage Requirements

A vehicle must have Physical Damage Coverage in order to have Custom/Special Equipment Coverage. Custom/Special Equipment must be listed on the application, endorsed onto the policy and a premium paid for coverage to apply.

Standard equipment installed by the manufacturer or dealer is covered under Physical Damage Coverage.

The following are examples of acceptable Custom/Special Equipment as long as they are installed by the manufacturer or dealer, listed on the application and a premium is paid:

- Special or deluxe roofs
- Sound reproducing equipment, such as cassette players, CD players and amplifiers, which are permanently installed
- CB radios which are permanently attached
- Car telephones which are permanently attached
- Custom paint work and deluxe interior
- Chrome engine accessories and diesel engines which are not standard equipment
- Chrome, reverse chrome, alloy or magnesium wheels and wheel covers
- Recaro or leather seats
- Camper shells and utility trailers (see exclusion(s) in the policy for specific wording on coverage)

The following are examples of unacceptable Custom/Special Equipment:

- Radar detection equipment
- Television sets, VCR's and other video equipment
- Stereo speakers which are not factory or dealer installed, pre-amps, amateur radios, home stereos and other home high-fidelity equipment
- Enclosed trailers

Rule C-11.a: Custom/Special Equipment Coverage Premium

Equipment Cost	Twelve Month Premium
\$1-100	\$21
101-200	42
201-500	105
501-1,000	210
1,001-1,500	315
1,501-2,000	420
2,001-2,500	525
2,501-3,000	630
3,001-3,500	735
3,501-4,000	840
4,001-4,500	945
4,501-5,000	1,050
5,000+	32%**

**12 Month premium will be based on 32% of the total cost of the Custom/Special Equipment.

Rule C-12: Rental Reimbursement

A vehicle must have Physical Damage Coverage in order to have Rental Reimbursement Coverage. If this coverage is selected for one vehicle, it must be provided on all vehicles.

\$20 a day with a 30 day maximum.

\$30 a day with a 30 day maximum.

\$40 a day with a 30 day maximum.

Rule C-12.a: Rental Reimbursement Premium

Limit	Twelve Month Premium
\$20/day 30 day maximum	\$42.58
\$30/day 30 day maximum	\$64.34
\$40/day 30 day maximum	\$86.10

Rule C-14: Named Driver Non-Owner Coverage

The Company's policy may be modified to protect the named driver while operating a "non-owned auto", as defined in the policy. Any operator requesting Named Driver Non-Owner coverage who owns a vehicle, has regular use of a vehicle or uses any non-owned vehicle for business purposes is not eligible for this coverage. Under the Company's policy, only one person may be covered as an insured on a policy with Named Driver Non-Owner Coverage. If several household members need Non-Owner Coverage, separate applications must be submitted for each operator.

Please review the Company's California Policy and the Named Driver Non-Owner Policy Endorsement in the policy for specific definitions and coverage restrictions. Also refer to Unacceptable Risks in the Underwriting Guidelines section of this manual for further underwriting requirements.

Bodily Injury, Property Damage, Medical Payments, Uninsured Motorist Bodily Injury and Uninsured Motorist Property Damage coverages are available under this policy form. However, only minimum limits are available.

Rule C-14.a: Named Driver Non-Owner Rating

Named Driver Non-Owner coverage is offered at the same premium charges as for owned autos. For vehicle rating information, use non-owner designation in the model year factor table.

See Rule R-10.a for other rating factors.

Rule C-15: Special Glass Coverage

This coverage is available only when physical damage coverage is selected. If this optional coverage is selected and the premium is paid, the Company will repair or replace any broken glass on a covered peril with no deductible.

Rule C-15.a: Special Glass Coverage Premium

Limit	12 Month Premium per Vehicle
Waiver of deductible	\$44

Rule C-16: Waiver of Mandatory Arbitration

The 997 Policy has certain provisions for arbitration. This optional provision removes the requirement for arbitration.

Rule C-16.a: Waiver of Mandatory Arbitration Premium

Limit	Twelve Month Premium Per Vehicle
Waiver of Arbitration	\$107

Rule S-1: Coverage Expense

On a policy that contains Liability Coverage, the Company will apply a Coverage Expense of \$15 to Property Damage. On a policy that does not contain Liability Coverage (Physical Damage Only) the Coverage Expense will be applied to Collision. The Coverage Expense will be applied on each new business, renewal and rewrite application. The Coverage Expense will apply to vehicle #1 on a multi-vehicle policy. This expense will have the 20% California Prop 103 Good Driver Discount applied as long as all drivers on the policy rates or not, qualify for the discount at policy inception time for the term being applied for.

Rule S-2: Installment Charge

The Company will apply a \$10 service charge to each installment payment which includes cash, check, e-check, credit card, and recurring credit card; however the Company will reduce each installment charge to \$6 if the insured elects to use the Electronic Funds Transfer (EFT) installment payment method.

This charge is fully earned and nonrefundable once the installment becomes due.

Rule S-3: Returned Check (NSF) Charge

The Company will apply a \$30 service charge to the insured's account balance for each of the insured's checks or Electronic Fund Transfers (EFT) that are returned due to non-sufficient funds (NSF).

This charge is fully earned.

Rule S-4: Late Payment Charge

The Company will apply a \$6 service charge for each payment postmarked or received by the Company or its designee after the due date.

This charge is fully earned.

Rule S-5: Cancellation Charge

The Company will apply a \$20 service charge for insured request cancellations. This charge is fully earned.

Rule S-6: CA State Fraud Charge

In accordance with CA law, the Company will apply a \$.45 charge for each vehicle insured per calendar quarter. The applicable charge will be calculated and charged in its entirety at the beginning of each new business term, renewal policy term or when a vehicle is added by endorsement to an existing policy. The charge is considered fully earned and non-refundable.

Rule S-7: SR-22 Charge

The Company will apply a \$15 service charge for each SR-22 filing made on a policy.

This charge is fully earned.

Rule S-8: Endorsement Charge

The Company will apply a \$5 charge to the policy for any endorsement made to the policy that creates a premium change. Changes made to the policy to correct a Company error are exempt. This applies to changes made from the inception date of the policy and forward.

This charge is fully earned.

Rule S-9: Policy Fee

A \$32 Policy Fee will apply to all New Business and Renewal policies. The Policy Fee will not apply to any policy which is cancelled and subsequently reinstated if the fee has already been paid. This fee will have the 20% California Prop 103 Good Driver Discount applied as long as all drivers on the policy, rated or not, qualify for the discount at policy inception time for the term being applied for.

Rule R-1: Rating Logic

Coverage	BI	PD	COM	COL	COLDW	MED	UMBI	UMPD	REN	RA	SGC	WMAR	SPE
Rating Variable													
Frequency Factor													
Severity Factor	x	x	x	x	x	x	x	x					
Subtotal 1	\$	\$	\$	\$	\$	\$	\$	\$					
Base Rate	x	x	x	x	x	x	x	x					
Driving Record Points Factor*	x	x	x	x		x	x	x					
Driver Class Factor	x	x	x	x		x	x	x					
Subtotal 2	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Subtotal 3	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Increased Limit/Deductible Factor	x	x	x	x	x	x	x	x					x
VIN Factor	x	x	x	x									
VHS Factor	x	x	x	x		x							
Model Year Factor	x	x	x	x									
Non-Owner Factor	x	x	x	x									
Subtotal 4	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Subtotal 5	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Policy Term Factor	x	x	x	x	x	x	x	x	x	x	x	x	x
Multi Vehicle Discount	x	x	x	x	x	x	x	x					
Good Student Discount	x	x	x	x	x	x	x	x					
Accident Prevention Discount	x	x				x	x	x					
Renewal Discount	x	x	x	x	x	x	x	x					
Business Use Surcharge	x	x	x	x		x	x	x					
Mileage Factor	x	x	x	x	x	x	x	x					
Good Driver Discount	x	x	x	x	x	x	x	x	x	x	x	x	x
Subtotal 6	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Subtotal 7	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Coverage Expense Premium (Calc below)***		+		+									
Coverage Premium	=	=	=	=	=	=	=	=	=	=	=	=	=

* Driver Class Factor = Driving Experience x Marital Status Factor

**Coverage Expense Premium will be added to the first listed vehicle only on a multivehicle policy.

Rounding Methodology

Subtotal 1 Round to 0.01 for each coverage

Subtotal 2 Round to 0.01 for each coverage

Subtotal 3 Round to 0 for each coverage

Subtotal 4 Round to 0.01 for each coverage

Subtotal 5 Round to 0 for each coverage

Subtotal 6 Round to 0.01 for each coverage

Subtotal 7 Round to 0 for each coverage

Coverage Expense Calculation

Rating Variable	BI	PD***	COM	COL****	COLDW	MED	UMBI	UMPD	REN	RA	SGC	WMAR	SPE
Coverage Expense													
Good Driver Discount *****		x		x									
Subtotal 8		\$		\$									
Subtotal 9		\$		\$									
Coverage Expense Premium		=		=									

Rounding Methodology

Subtotal 8 Round to 0.01

Subtotal 9 Round to 0

*** For Liability only and Full Coverage policies, the Coverage Expense Premium will be applied to Property Damage.

****For a Physical Damage only policy, the Coverage Expense Premium will be applied to Collision.

*****If all drivers on this policy rates or not, qualify for the discount at policy inception, the Good Driver 1 discount will be applied to the policy charge, renewal charge and rewrite charge.

Driver and Vehicle Assignments:

Step 1. Calculate the premium for all vehicle/driver combinations on the policy.

Step 2. Assign the vehicle/driver combination that has the highest premium.

Step 3. Remove any combinations involving the assigned vehicle or driver.

Step 4: Loop through the remaining vehicle/driver combinations until all vehicles have been assigned a driver.

Step 5: Assign EV to any vehicles without drivers.

Rule R-2: Good Driver Discount

Good Driver I — Applies to all coverages

A 20% discount applies if the driver meets the following criteria:

1. Has been continuously licensed to drive a motor vehicle for the previous three years
2. Has had, during the previous 36 months, not more than one violation point count as determined by section 12810 of the California vehicle code.

Good Driver II — Applies to all coverages

A discount applies if the driver meets the following criteria:

3. Meets all the criteria of the Good Driver I Discount, and
4. Has had no chargeable accidents* or violation convictions for the most recent 60 months.

* BI — 23%, PD — 21%, MP — 25%, UMBI — 24%, UMPD — 25%, Coll — 24%, Comp — 24%, CDW 25%, other coverages not listed here receive a 25% discount.

* Includes all accidents except comprehensive claims and not-at-fault accidents as defined by Title 10 CCR 2632.13(d).

Rule R-3: Mature Driver Improvement Course Discount

Mature Driver Improvement Discount — Applies to BI, PD, Med Pay, UMBI and UMPD

A 5% discount applies if the driver meets the following guidelines:

1. Available to drivers age 55 and older.
2. Applicant must show proof of successful completion of the driver improvement course.
3. Eligibility for the discount shall be effective for a 3-year period from the date of completion of the driver improvement course, except the Company may discontinue the discount if the insured is:
 - a. Involved in an at-fault accident, or
 - b. Convicted of Division 11 violations of the Vehicle Code (except Chapter 9 violations, stopping, standing, parking, etc.) or convicted of a traffic related offense involving alcohol or narcotics.

Proof of the discount must accompany the application and/or continued renewal or endorsement request.

Rule R-4: Vehicle Count Per Policy

These factors apply to each vehicle based on the number of vehicles insured under the same policy. The number of drivers on the policy is limited to the drivers that are considered for rating or are residents of the household with a driver status listed as "active". The driver count will **not** include excluded drivers or drivers under the age of 16.

Multi-Car

# Veh / # Drivers	BI	PD	MP	UMBI	UMPD	COLL	COMP	CDW
0/1	0.85	0.85	1.00	1.00	1.00	1.00	1.00	1.00
0/2	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
0/3	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
0/4	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
0/5	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
0/6+	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1/1	0.98	0.98	1.00	1.00	1.00	0.98	0.95	0.98
1/2	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1/3	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02
1/4	1.03	1.03	1.03	1.03	1.03	1.03	1.05	1.03
1/5	1.04	1.04	1.04	1.04	1.04	1.04	1.05	1.04
1/6+	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
2/1	0.75	0.79	0.79	0.75	0.75	0.79	0.82	0.79
2/2	0.74	0.78	0.78	0.75	0.75	0.76	0.75	0.78
2/3	0.79	0.81	0.81	0.76	0.76	0.81	0.82	0.81
2/4	0.82	0.82	0.82	0.77	0.77	0.82	0.82	0.82
2/5	0.82	0.84	0.83	0.78	0.78	0.85	0.83	0.83
2/6+	0.82	0.84	0.84	0.79	0.79	0.86	0.84	0.84
3/1	0.78	0.80	0.80	0.75	0.75	0.78	0.82	0.80
3/2	0.76	0.78	0.79	0.75	0.75	0.75	0.80	0.79
3/3	0.74	0.78	0.78	0.75	0.75	0.72	0.72	0.78
3/4	0.79	0.83	0.81	0.78	0.76	0.83	0.81	0.81
3/5	0.81	0.84	0.82	0.79	0.77	0.83	0.82	0.82
3/6+	0.82	0.84	0.83	0.80	0.78	0.83	0.83	0.83
4/1	0.79	0.81	0.81	0.76	0.76	0.82	0.85	0.81
4/2	0.78	0.82	0.80	0.75	0.75	0.82	0.83	0.80
4/3	0.76	0.80	0.79	0.75	0.75	0.77	0.74	0.79
4/4	0.75	0.80	0.78	0.75	0.75	0.72	0.72	0.78
4/5	0.82	0.84	0.81	0.76	0.76	0.82	0.81	0.81
4/6+	0.82	0.84	0.82	0.77	0.77	0.82	0.82	0.82
5+/1	0.85	0.85	0.83	0.78	0.78	0.84	0.84	0.83
5+/2	0.81	0.85	0.82	0.77	0.77	0.83	0.83	0.82
5+/3	0.81	0.85	0.81	0.76	0.76	0.82	0.82	0.81
5+/4	0.80	0.85	0.80	0.75	0.75	0.82	0.80	0.80
5+/5	0.80	0.85	0.80	0.75	0.75	0.82	0.78	0.80
5+/6+	0.81	0.85	0.83	0.78	0.78	0.83	0.80	0.83

Rule R-5: Good Student Discount

Good Student – Applies to BI, PD, Med Pay, UMBI, UMPD, CDW, COLL and COMP

A 10% discount applies to drivers' age 16 to 23 years of age that attend a public or parochial school or college on a full time bases and maintains a "B" or better grade point average.

Rule R-6: Term/Renewal

Term	BI	PD	MP	UMBI	UMPD	COLL	COMP	CDW
1st Term (12mo) New Bus	2%	3%	0%	3%	0%	3%	2%	0%
1st Annual Renewal	-5%	-2%	-5%	-5%	-5%	-6%	-5%	-5%
2nd Annual Renewal	-7%	-4%	-5%	-5%	-5%	-8%	-6%	-5%
3rd Annual Renewal	-7%	-7%	-5%	-5%	-5%	-8%	-6%	-5%
4 or More Annual Renewals	-7%	-7%	-5%	-5%	-5%	-8%	-8%	-5%

The discount(s) will apply to policies that have 12 months prior insurance with the Company or an affiliated company, with no more than 30 days lapse in coverage.

Rule R-7: Mileage

At time of new business application and renewal, the Company may require the completion of the annual mileage questionnaire that estimates the auto's projected annual mileage. If the questions are not answered completely or are answered in a manner that does not support the applicant's annual mileage projection, a reasonable objective mileage will be developed based on the information provided by the insured or applicant. If a reasonable objective mileage cannot be determined, the 10,000 annual mile band will be used to rate and issue the policy

Rule R-7.a: Mileage Factors

See Rate Pages for Factors

Rule R-8:Point Assignment Guidelines

Points apply to Bodily Injury, Property Damage, UMBI, UMPD, Medical Payments, Collision and Comprehensive Coverages.

Acceptance charges for at-fault accidents and convicted violations occurring within the last 36 months. When multiple violations or accidents result from a single occurrence, apply only the charge or accident with the highest point value.

If the applicant certifies on the application that the accident was at-fault and chargeable, the appropriate point charge will be applied. If an accident is found on other reports and indisputable at-fault evidence is not available, the driver(s) listed on the policy will be given a chance to respond to a request for information and sign a statement attesting as to fault.

The experience period for a chargeable violation begins with the violation date. To be chargeable, the insured must be found guilty by the verdict of a court of competent jurisdiction. All drug and alcohol related violations will be charged if the individual(s) driver's license was suspended for that offense or if the applicant was convicted for that offense.

Rule R-9: Driving Safety Record Guidelines

<u>CATEGORY</u>	<u>WITHIN THE LAST</u>	
	<u>0 - 12 MOS.</u>	<u>13-36 MOS.</u>
AT-FAULT ACCIDENTS *		
First	4	3
Each Additional	6	6

The following accidents will not be chargeable:

1. Applicant's automobile was lawfully parked.
2. Judgment or reimbursement was obtained from responsible party.
3. Struck in rear and not convicted of moving traffic violation.
4. Struck by hit-and-run driver and such accident was reported by applicant to proper authorities within 24 hours.
5. Applicant was not convicted of a moving traffic violation in connection with the accident and the other operator of the vehicle involved in such accident was convicted of a moving traffic violation.
6. Applicant was adjudicated not to be liable by a court of competent jurisdiction.
7. Accidents involving Physical Damage, limited to and caused by flying gravel, missiles, falling objects.
8. Accidents involving damage by contact with animals or fowl.
9. The operator at the time of accident was on duty as a paid or volunteer member of any Police or Fire Department, First-Aid Squad, or any Law Enforcement Agency.

PROPERTY DAMAGE ONLY ACCIDENT

If the offense is an at fault Property Damage Only accident, and the driver is otherwise entitled to the Good Driver Discount, submit proof with the application, of either: Non-Injury, police report, or a statement from the responsible insurance carrier.

First	4	4
Each Additional	6	6

MAJOR VIOLATIONS

Driving while under the influence of drugs, open container and possession to include Refusing alcohol test (Implied Consent) or any reduction thereof.

First Offence With No Other Violations or Accidents.....	4	4
First Offence With Other Violations or Accidents.....	4	4
Each Additional	4	4

Eluding Police, hit and run, negligent homicide, reckless driving, speed contest, racing, and/or exhibition of speed, wrong side of road, felony with a motor vehicle, leaving the scene, careless driving, and suspended license (All suspended and no license violations, no license in possession is not included).

First Violation	4	4
Each Additional.....	4	4

Rule R-9: Driving Safety Record Guidelines (Cont'd)

MINOR VIOLATIONS

All other convictions not listed above1
Each Additional2

MAXIMUM POINT CHARGE ACCEPTED (TOTAL)... 30**

Note: Any violation involving other drugs, i.e. marijuana, cocaine and all other forms of narcotics to include prescription drugs that are misused will be treated as driving under the influence.

*At-Fault Accident for the purpose of assigning accident surcharge points means an accident where the driver involved in the accident was at least 51% of the proximate cause of the accident and meets the minimum dollar threshold amount. In determining a driver(s) accident history, if no evidence of the driver(s) fault exists, we will accept a driver(s) declaration, under penalty of perjury, attesting to such history. However, the Company reserves the right to question the driver(s) on said declaration. The driver(s) shall provide the Company with any requested information if it is reasonably available including, but not limited to, police reports, records of payment and the identity of other parties involved in the accident and any witnesses to the accident. Any false or misleading statements made by the driver(s) in the declaration may result in the voiding of the policy for material misrepresentation, uprating the policy to reflect the correct premium, or prosecution for perjury under California State Law.

** If an operator or additional operator develops more than 10 Acceptance points, Acceptance reserves the right to cancel the policy if within the first 60 days, non-renew after 60 days or any combination thereof.

Rule R-9.a: Driving Safety Record Factors

See Rate Pages for Factors

Rule R-10.a: Vehicle Rating Factors

See VIN File for factors on vehicles that are 1981 and newer.

	BI	PD	MP	UMBI	UMPD	COLL	COMP
Non-Owners	0.90	0.90	1.00	1.00	1.00	N/A	N/A
Older than 1981:							
Cars	1.00	1.00	1.00	1.00	1.00	1.08	0.93
P/U	1.05	1.05	1.00	1.00	1.00	0.98	0.98
Van	0.95	0.95	1.00	1.00	1.00	0.93	0.93
SUV	1.05	1.05	1.00	1.00	1.00	0.98	0.98

Rule R-11: Vehicle History Score

A vehicle history score will be ordered on each newly quoted/added vehicle with a model year of 1981 or later. A third-party Vehicle History Report is obtained using the vehicle's identification number (VIN). A score is then assigned to each vehicle and the corresponding rating factor will be applied. The score will not change at renewal.

A very small number of vehicles will not receive a score. The reasons for those exceptions are listed below:

- Not Eligible: Example: Pre-1981 VINs will not be scored.
- VHR Not Found: VIN is sent to vendor and was not found within the database.
- VHR Sparse Data: VIN is sent to vendor and is found within the database but there was not enough data to generate a score

For vehicles already in effect as of April 8, 2021 a vehicle history score will be ordered at their first renewal. A score is then assigned to each vehicle and the corresponding rating factor will be applied. The score will not change at subsequent renewals.