

**PRIVATE PASSENGER AUTOMOBILE LIABILITY & PHYSICAL  
DAMAGE INSURANCE**

***New Business Effective 01/01/20***  
***Renewal Business Effective 01/01/20***

**21<sup>st</sup> Century General Agency Inc.**

Managing General Agency for Old American County Mutual Fire Insurance Company

**Select Program  
New Business Underwriting Guidelines**

**Texas Nonstandard Auto Program DirectBill Program**

**21<sup>st</sup> Century General Agency  
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Richardson, Texas 75081  
Office 1 (800)745-1302  
214 221-5511  
Fax 214 723-5649  
Claims 1 (800) 745-1302**

## **DIRECT BILL/PAY PLAN PROCEDURES**

This program is designed to simplify the sale and service of the personal auto policy by:

1. Allowing monthly payments to be made directly to 21<sup>st</sup> Century General Agency in lieu of a premium finance company;
2. Direct billing the insured for policy changes;
3. Direct billing the insured for renewals using a continuous billing cycle that has an extended number of monthly payments.

### **APPLICATION FOR COVERAGE**

A 21<sup>st</sup> Century application should be completed, ensuring that all questions are answered and that all appropriate signatures are secured. Policies can be written on a ONE MONTH and SEMI-ANNUAL term.

### **PAYMENT OPTIONS - NEW BUSINESS:**

1. Payment in Full. (No Power of Attorney accepted.)
2. Direct Bill/Pay Plan. The Insured selects the date of the first monthly payment. A monthly bill will be sent to the Insured approximately 12 days prior to the due date and will include an installment fee. The balance on the 6 Month policy will be billed in five (5) monthly installments.

<b>Length of Policy Term</b>	<b>Down payment %</b>	<b>Date of 1st Payment</b>
6 Month	17.00%	20 days from inception date and every 30 days thereafter
6 Month	25.00%	30 days from inception date and every 30 days thereafter
6 Month	25.00%	30 days from inception date, 4 equal installments every 30 days thereafter.

3. The Insured can select one of the Pay Plan options in "2" above and utilize an automatic bank draft for monthly payments. To enroll the Insured for automatic drafting (EFT), the initial down payment must be collected and submitted along with a signed and completed Electronic Funds Transfer Enrollment Form and a copy of a voided check. Automatic drafting will begin with the 1<sup>st</sup> payment on a new policy. If policy changes are made that will alter the amount of the Insured's monthly payments by more than \$5.00, an amended "Notice of Automatic Withdrawal" will be mailed to /received by the Insured at least 10 days prior to drafting a new amount if the change is initiated by the Insured. If the change is initiated by company, then a notice will be sent out 30 days in advance of the withdrawal. Otherwise, the old payment amount will be drafted and the new payment amount will begin with the next month's draft.
4. At renewal, the Insured will receive a renewal quote and notification of the renewal down payment which will be drafted from his account and coverage will be renewed unless a written request not to renew the policy is received from the insured.

### **UPDATES**

At the time of production, any premium up rates will automatically be processed as part of the initial premium. An explanation of what caused the uprate, as well as notification that the monthly payments, or monthly draft amounts will be higher than anticipated will be sent to insured. If the uprate was due to underwriting reasons notice of the revised monthly payments will be sent 30 days in advance of a drafted payment. Uprated policies that were initially paid in full will be handled in a similar manner except the uprate must be paid in full.

### **REFUNDS**

Premium refunds, if any, will be calculated on a pro-rata basis. Expired policies with a debit or credit balance of \$6.00 or less will be waived. Credit balances of \$6.00 or less will be refunded upon written request from the Producer or Named Insured.

### **ENDORSEMENTS**

The insured should contact their agent for assistance and advice about making policy changes. Many, if not all endorsements can be processed online at [www.21stga.com](http://www.21stga.com). At the time the endorsement is processed online, any change resulting in an additional premium will be collected and applied at the time the endorsement is processed. 21<sup>st</sup> Century will process change requests without additional down payment on faxed endorsements, but collection of additional down payment by the agent is strongly advised to avoid uncollectible premium if the policy is canceled at a later date. The endorsement premium will be spread over the remaining payments. In certain instances, the size of the additional premium and the number of payments or drafts left in the policy term may make it necessary to issue an immediate Notice of Cancellation. This will be explained to the insured by memo and cancellation could be stopped in most cases upon receipt of the premium requested.

Endorsements will be mailed directly to the insured [and lien holders, if any] or provided at point of sale. The insured will be advised to expect higher monthly installments beginning with their next bill. Refunds created by endorsements will lower the balance due and thus lower the monthly installment beginning with the next bill.

Endorsements on policies that were initially paid in full will be billed directly to insured and will require payment in full. We will bill once the premium paid has been earned then the outstanding balance will be billed in one lump sum. Refund checks on policies paid in full will be made payable to the Insured and mailed directly to the insured.

*Photos and Inspections are required for all vehicles requiring comprehensive and collision coverage.* A photo from each corner of the vehicle must be taken. The insured may take the photos if they are time stamped and dated. The photos should be received by 21st Century underwriting within 48 hours of binding coverage on the endorsed vehicle.

### **CANCELLATIONS**

No flat cancellations are allowed. Mid-term cancellations require the written request of insured. Cancellation refunds will be mailed to the insured unless the producer requests that they be sent to their office for delivery.

### **REINSTATEMENTS**

**ALL REINSTATEMENTS MUST BE APPROVED BY THE COMPANY.**

### **PAYMENT OPTIONS - RENEWALS:**

The insured will receive a notice of companies offer to renew along with a statement of funds due.

1. Payment in Full. (No Power of Attorney accepted.) Attach to the renewal offer, a check or money order for the entire gross premium made payable to 21<sup>st</sup> Century General Agency.
2. Direct Bill/Pay Plan. The insured will receive a notice of companies offer to renew along with a statement of funds due. The semi-annual term policy premium will be payable in 6 equal installments.
3. The down payment will be due on or before the renewal inception date with the **first installment due in 30 days depending on the payment plan selected by the Insured** and each subsequent installment due every 30 days. Each billing will be mailed approximately 12 days prior to the due date and will include an installment fee.
4. All limited policy forms must be received with renewal payment, or policy will be issued a 10-day notice of cancellation.
5. A copy of the renewal quote and statement will be available to the agent via our website.

Upon receipt of the insured's written request to renew and the appropriate down payment, a renewal policy will be issued. Requests to renew that are not postmarked prior to the expiration date will result in coverage terminating. To continue coverage, a new application and a down payment reflecting the loss of renewal discounts will be required.

### **IMPORTANT NOTE**

In instances where coverage's need to be discussed or explained in detail, the insured will be referred to the agent, who is in the best position to survey the needs of the insured.

## **1 MONTH POLICIES**

### **BILLING PROCEDURE**

1. When initial policy is prepared, the first renewal billing will be mailed. Thereafter, on receipt of premium, renewal billings will be enclosed with a new declarations page and ID card.
2. Renewal premium is due 5 days before expiration date. If premium is fully paid prior to expiration date, a new declarations page and ID card will be mailed along with next month's billing. Coverage expires if premium is not received by the expiration.
3. If the full amount billed is not post marked, before the 30th day after the expiration of the policy, the policy cannot be renewed. Failure to remit full premium by this due date will require a new application, premium and policy fee in order to produce a new policy.
4. Each monthly policy extension will be fully earned.
5. Endorsements made during policy term that create an additional premium will require payment in full.
6. Premium balances or credits resulting from underpayment and overpayment will be carried over and applied to next billing.

### **POLICY DISBURSEMENT**

Policies and billings will be mailed directly to the insured, with copies available by the Agent on their website.

### **CANCELLATIONS**

No flat cancellations are allowed. Mid-term cancellations require the written request of the insured. Cancellation refunds will be made payable to the insured and sent to the agent for delivery.

### **LIMITED POLICIES**

Limited policies are NOT available for 1 month policies.

**UNDERWRITING RULES & GUIDELINES**  
**LIABILITY OR PACKAGE POLICIES ONLY**  
**(Physical Damage Only Not Written)**

**POLICY TERM** – 1 or 6-month term

**ELIGIBLE VEHICLES** - Privately owned

1. Private Passenger Automobiles.  
Trucks with a standard pickup bed rated 3/4 ton or less (gross vehicle weight of 10,000 lbs. or less).
2. Vans and van-type, other than cargo van, vehicles not used commercially. Trucks with a standard pickup bed rated ¾ ton or less and vans and van-type vehicles that are not used commercially.
3. An exception to the no commercial use is: self-employed such as: Artisans, painters, plumbers, carpenters, etc that drive to and from job sites by the Insured or an immediate family member.
4. The following vehicles are eligible for liability coverage only: Audi, BMW and Mercedes.

**INELIGIBLE VEHICLES**

1. All vehicles with fiberglass and/or plastic bodies (Corvette, Fiero) and exotics including but not limited to the specific automobiles: Acura NSX, AM General Hummer H1, Aston Martin, Avanti, Bentley, Bertone, Bluebird, Bricklin, Bugatti, Ford Mustang Cobra, Coda, DeLorean, Dodge Stealth Turbo, Dodge Raider, Dodge Viper, Ferrari, Fisker, Jaguar, Jensen, Lamborghini, Lotus, Maserati, Mitsubishi 3000 Turbo or 3000 GT - Turbo, Nissan all Z series, Nissan 300 ZX, Nissan GT-R, Pantera, Plymouth Prowler, Porsche, Rolls-Royce, Ford Shelby GT, Tesla Electric, Triumph, Yugo, Mustang Rousch and Camaro ZL1.
2. Vehicles that are older than 1966.
3. One Ton Vehicles.
4. Vehicles used, and/or designed, for racing, exhibition or with altered engines. (modified, "souped up", etc.)
5. Long and short term rental.
6. Commercial or emergency vehicles, taxis, newspaper delivery, mail collection or delivery, courier service, pizza, fast food, newspapers, transport more than \$2,500 of business related materials or equipment at any one time, etc.
7. Vehicles garaged outside of Texas, other than students away at college.
8. Public livery conveyance or bus.
9. Caravans, motor coaches, motor homes, and mobile homes
10. Vehicles used for transportation or distribution of ammunitions and explosives.
11. Recreational vehicles (road buggies, dune buggies).
12. Antique vehicles, vintage vehicles, kit cars, altered, custom built, remodeled vehicles, and vehicles with wheels extending past the frame.
13. Any vehicle with current value in excess of \$50,000.00 or endorsed vehicles in excess of \$50,000.
14. Physical damage on vehicles older than 20 years old.
15. **Physical Damage Coverage on a vehicle insured on a 1-month term policy.**
16. Physical Damage only policies not written.
17. No more than 6 vehicles per policy.
18. Personal vehicles driven by employees, subcontractors, or co-workers are not eligible.
19. Flat, Box, or stake bed trucks.
20. Any vehicle requiring physical damage coverage on stereos, custom radios, and other sound reproducing equipment or citizen band radios, two-way radios, or telephones that has not been scheduled as custom equipment.
21. Cargo Van – Described as CG, 3500, Econo, Strip D, Exp CG, Econo Club Wagon, B3500/3500 Vans, B150/1500 & 250/2500, Rally Van etc.
22. Smart Cars
23. Trucks hauling gasoline, fuel oil, liquefied petroleum, gas or explosives.
24. Vehicles garaged away from the residence more than 3 weeks at a time for work related purpose
25. Vehicles parked unattended away from residence for more than 1 week at a time. (example: offshore workers parking long term in unattended parking lot.)
26. No vehicles with manual or motorized winch.
27. Vehicles used for Uber or Lyft and any other similar arrangements to transport for a fee.
28. Customized lifts of any kind are not acceptable other than factory lifts.
29. Any vehicle used to haul or convey any item or any cargo that may be categorized as hazardous material by any government agency.
30. Any self-driving vehicle.

### **Unacceptable Vehicle Surcharge**

A vehicle surcharge will be added showing a code "UV".

### **INELIGIBLE DRIVERS**

1. Any celebrity persons, meaning actors (with a guild and/or association membership), professional athletes, (with league membership), Olympic athletes, college athletes, radio personalities, news broadcasters, musicians, authors/writers (of published works where the income generated from these activities or occupations is more than 30% of the total income for the individual), and finally models.
2. If the applicant or a driver has been charged with:
  - i. No more than 1 DWI/DUI in the last 10 years. No more than 2 DWI/DUI's in the last 20 years
  - ii. No Felonies in the last 10 years. No more than 1 Felony in the last 20 years.
  - iii. No more than 1 misdemeanor in last 5 years.
  - iv. No more than 2 misdemeanors in last 10 years.
  - v. No more than 3 misdemeanors in last 20 years.
  - vi. Any Insurance Fraud offense.
3. Operators with more than 12 points.
4. Any operator with two major violations (As defined on our chargeable points in rating section).
5. Any operator age 15 or under or any operator over 78 years of age unless they are scheduled on a renewal policy.
6. If any named insured is under 18 years of age or 78 years of age or older. (Drivers 75 or older submit with medical questionnaire, can be signed by driver. Drivers 80 or older submit with medical questionnaire signed by a professional physician on a 21st Century form on an annual basis.)
7. Applicant or any driver who has more than two "At Fault" accidents in the past three years.
8. Risks where the applicant or any driver is either physically, mentally impaired, or has ever had a seizure.
9. Any vehicle requiring coverage for more than \$1,500 in custom equipment.
10. Any applicant whose occupation is related to auto sales. New or used car lots.
11. No more than 8 drivers per policy.
12. Uber/Lyft Drivers and any other drivers who use vehicles for a fee

### **Ineligible Driver Surcharge:**

A 12-point charge on the driving record will be added at new business.

### **ACCEPTABLE NON-US IDENTIFICATION**

If an insured does not have a valid US driver's license, then 21st Century will accept as ID an International Driver's License, a Texas ID, Passport, a Matricula or any official document that is government issued that provides a recent picture. The language utilized must be English or Spanish.

### **Business or Commercial Use**

For the claims department Business or Commercial use are synonymous. By definition they are different but for coverage claims considers these words as the same. All business use is specifically excluded on the LIMITED policy. This is stated in the limited sections OACM 005, and OACM 020. Coverage for any use of an auto, truck, or trailer in conjunction with any business, whether incidental or primary will be declined by claims. If the insured indicates he uses the vehicle in any way related to a business, be it his business or someone else's; do not consider using the LIMITED policy. The Standard policy covers incidental business use. Any primary business use will be excluded by claims on the Standard policy. A covered example would be Avon or Mary Kay, or a hobby business that does not provide your primary income. Delivering pizza or auto parts, carrying tools or supplies for a business, may be declined if it is the primary use of the vehicle. Carrying your tool belt and other personal tools to work and back from home is always covered. If you are traveling from job site to job site coverage may be declined, especially if this is the primary usage. Towing your trailer with your personal property is covered however coverage becomes an issue if you are towing your company trailer especially with work tools or equipment.

### **BINDING**

**EFFECTIVE DATE** - For all acceptable private passenger risks, coverage becomes effective no earlier than the date and time of upload. Agency EFT or Insured EFT must be selected for all new policy down payments. The appropriate payment must be deposited in your account and made available for sweep within two business days of upload.

**DOCUMENTATION** - For all acceptable private passenger risks, the following must be completed before coverage can be bound (Agents cannot backdate coverage):

- Valid money from the insured must accompany the application via EFT. Policy down payments returned for uncollectible or insufficient funds void the policy in its entirety back to inception.

- The application and all applicable forms are completed in full, signed by the agent and the applicant.
- The applicant, all operators and each vehicle meet the underwriting guidelines.
- Details of all chargeable and non-chargeable accidents/violations are listed on the application.
- All documentation as well as supporting documentation has been provided and submitted to company.
- **PHOTO's including all 4 sides of the insured vehicle MUST be taken for all vehicles requiring comprehensive and collision coverage.** The insured may take the photos as long as they meet the stated standard and are time stamped and dated. Photos must be received by 21st Century underwriting within 48 hours of binding.

### **BINDING AUTHORITY**

Binding is permitted only for producers who are properly appointed.

#### **When binding, agents:**

- Do not have the authority to issue policies, endorsements, or cancellation notices unless specifically authorized to do so in writing by our company.
- May not permit a solicitor or broker to bind our company to a risk.
- Spouses must reside in the same household to qualify for married rates.
- Must use Agency Electronic Funds Transfer or Insured Credit Card/ Electronic Funds Transfer for the down payment on uploaded policies.
- Should never upload an application until down payment has been received from the insured.
- May not write or bind coverage in any area where there is a hurricane or tropical storm watch, severe weather warning or watch.
- Never bind any policy with a discount unless you have obtained the required proof. Policies submitted without acceptable proof will be bound at the discount level for which they qualify.
- A policy can only be written via our 21<sup>st</sup> Century agent interface.
- Written submissions written applications are prohibited.
- Written endorsements mailed by the Insured will be accepted and coverage will be honored the day after postmark date.
- An agent must submit all endorsements via the 21<sup>st</sup> Century agency interface. Unless otherwise authorized by the 21<sup>st</sup> Century underwriting team.
- As a general rule 21<sup>st</sup> Century discourages agents from writing a risk of more than 50 miles from their office. There are times and issues that will arise that will require that an Agent interface in person with their insured's and or take pictures and inspect covered vehicles. When an insured lives more than 50 miles from the agency the distance may make this interface impossible or very inconvenient for our insured.

### **PHYSICAL DAMAGE RULES**

- No physical damage coverage written without liability.
- Comprehensive and collision must be written together
- Minimum \$500.00 deductible comprehensive and collision on all vehicles subject to 50% surcharge under Special Equipment.
- Physical damage coverage is not available for vehicles older than twenty (20) years of age.
- No vehicles with a cost new over \$50,000 or ISO Symbol over 23 (for model years 1990-2010) or ISO Symbol over 53 (for model years 2011 and beyond).
- Non-OEM TV and DVD equipment is not written unless it is permanently installed in the dash or console opening specified by the manufacturer of the motor vehicle for the installation of such equipment and the 50% surcharge has been accepted.
- Physical Damage coverage is acceptable on a factory production van; Liability only coverage is acceptable for Custom conversion vans, equipment will not be covered.
- No lien holder can be listed on a policy without comprehensive and collision coverage.

**RATING CLASSIFICATION**

- 515A ENDORSEMENT - (Exclusion) is required on each member, age 14 or older, of insured's household if not rated as a driver of insured vehicle(s).
- **Married means residing with spouse.** If not residing with spouse, rate as single. Statutory marriage rated as single unless residing in the same household for a minimum of 6 months.
- ONE VEHICLE POLICY - Use the Driver Class and point total of the driver producing the highest total premium.
- MULTIPLE VEHICLE POLICY – Apply the highest rated Driver Class and point total to the highest rated vehicle, the second highest rated Driver Class and point total to the second highest rated vehicle, the third highest rated to the third highest rated vehicle.
- ONE MORE VEHICLE THAN DRIVERS – Rate as a UAV classification.

**POINT SYSTEM**

Based on the last 3 years of driving record and last 20 years of criminal background of the applicant and each driver. List and total for each driver separately. A charge will be made for all "At Fault" accidents and major violations. Other violations arising out of "At Fault" accidents or major violations will not be charged. In all other instances, multiple violations arising out of the same occurrence, shall be rated as 1 violation using the highest point charge applicable.

Example:

5/15/06 DWI		5/15/06 1 <sup>st</sup> Accident	
5/15/06 Accident	> 8 pts.	5/15/06 Speeding	> 3 pts.
5/16/06 DWI		5/18/06 Speeding	
5/16/06 speeding	> 5 pts.	5/18/06 Ran Red Light	> 2 pts

	<b>CHARGEABLE POINTS</b>	
<b>MAJOR VIOLATIONS</b>	<ul style="list-style-type: none"> <li>• Driving wrong way on one-way street, driving wrong side of road</li> <li>• Fleeing or attempting to elude police</li> <li>• Reckless driving</li> <li>• Speed Contest (racing), including excessive acceleration</li> <li>• Operating a vehicle without consent</li> <li>• Use of illegally obtained driver's license</li> </ul> <p style="text-align: center;">*****</p> <ul style="list-style-type: none"> <li>* DWI, including refusal of breath test, less than 5 years</li> <li>* Operators charged with, whether or not convicted of, the following violations in last 10 years are not eligible for coverage:</li> <li>* Negligent Homicide (not acceptable)</li> <li>* Felony (not acceptable)</li> <li>* Hit and Run or leaving or failure to stop at scene of accident (not acceptable)</li> <li>* Aggravated assault with motor vehicle (not acceptable)</li> <li>* Involuntary manslaughter (not acceptable)</li> </ul>	<p>5 each occurrence</p> <p>If accident &amp; major violation arise out of same occurrence a charge will be made for both.</p>
<b>VIOLATIONS OTHER THAN MAJOR OR MINOR</b>	<ul style="list-style-type: none"> <li>• Careless driving or negligent driving</li> <li>• Disregard traffic control officer &amp; device</li> <li>• Failure to observe traffic lights, sign, RR crossing gate or any other traffic control device including failure to stop for a school bus</li> <li>• Improper passing</li> <li>• Violation of driver's license restriction</li> <li>• 1 misdemeanor in last 5 years or 2 in last 10 years.</li> </ul>	2 each
<b>MINOR VIOLATIONS</b>	<ul style="list-style-type: none"> <li>• All other moving violations, including non-restraint of a child. Non-moving violations shall include (but not be limited to) helmet, sticker, equipment or no liability insurance violations. Speeding.</li> </ul>	<p>0 -1st 2 occurrences</p> <p>2- each occurrence in excess of 2</p>



<b>ACCIDENTS</b>	<ul style="list-style-type: none"> <li>• All considered at fault unless evidence of operator's noncontributory negligence furnished. Determination to be made by company. <b>All one vehicle accidents chargeable including hit and run.</b></li> </ul> <p><b>NOTE</b> a claim in which, nothing is paid will NOT be counted against the insured. It will not be considered a claim.</p>	3 - 1st accident 4 - each additional accident - (submit if over 2)
<b>NON CHARGEABLE VIOLATIONS</b>	DWI more than 5 years old if no other felonies, misdemeanors within the past 20 years.	0 points

**CREDIT DISCOUNTS**

Applicable to Bodily Injury, Property Damage, OTC & Collision. (NO DISCOUNTS FOR DRIVERS TRAINING OR DEFENSIVE DRIVING).

**RENEWAL DISCOUNT**

If a policy is continuously in force for six (6) months, and there have been no at fault accidents during this time period, a premium discount will be allowed. The same renewal discount will be allowed on all renewals unless an at fault accident is reported. The renewal discount shall not be increased or decreased as to the number of renewals or the length of time that the policy is in force. This discount will not be allowed if the policy was written with in-agency transfer discount.

**IN-AGENCY TRANSFER DISCOUNT**

If an insured has maintained an auto policy, for a minimum of 6 months thru an in-agency carrier, with no lapse in coverage, and all drivers on the policy have been claim free, for a minimum 6 months, then the insured shall be eligible for this discount provided that both the last 6 months continuous experience and the 6 months claims free experience can be verified. Any carrier generated documentation that proves both requirements will be accepted. Note!! The discount will NOT be allowed if both of these requirements cannot be verified. NOTE a claim in which, nothing is paid will NOT be counted against the insured.

**PRIOR COVERAGE DISCOUNT** is allowed on policies that have been in force for a minimum of a six (6) month period with no more than a total of 30 days' lapse. Copy of the prior declaration page MUST accompany application. NO EXCEPTIONS.

**MULTICAR DISCOUNT** – If more than one (1) car is insured under the same policy and such vehicles are individually owned (husband and wife, resident in same household), a premium discount will be allowed on each automobile.

**HOMEOWNER DISCOUNT** - A discount will be applied if the Insured owns and occupies own home, condominium, townhouse, or mobile home (must own land and must be skirted). Proof of home ownership is required.

**EFT PAYMENT/PAYMENT IN FULL DISCOUNT**

A discount will be allowed if the Insured authorizes the company to draw payments electronically (i.e. check account or bank draft) or pays the term premium in full. Discount does not apply to One Month policies.

**LIMITED ENDORSEMENT FORMS**

The Insured has the option of having endorsements attached to the Texas Personal Automobile Policy that limits coverage. Upon receipt of a signed request from the Insured, the company will reduce the premiums on Bodily Injury, Property Damage, Other Than Collision and Collision coverages. In consideration for OACM.Punitive.018, a discount of 0.5% is applied to BI and UMBI rates. This reduction in premiums will apply regardless of the credit discounts, including the maximum credit discounts, which are allowed.

These limited endorsement forms may be attached to a 6-month term policy. When purchased, the limited endorsement forms are purchased as a group.

Endorsement #	Name of Endorsement
OACM.PhysDam.001	Physical Damage Endorsement
OACM.Storage.004	Storage Endorsement
OACM.DelFee.005	Delivery of Persons and Property For a Fee
OACM.ContLiab.006	Contractual Liability Exclusion
OACM.AutoTerm.007	Automatic Termination
OACM.CrimeIntent.008	Criminal or Intentional Acts
OACM.MisrepFraud.009	Misrepresentation or Fraud
OACM.OutofState.016a	Out of State Coverage Endorsement
OACM.DV-B.017	Diminution in Value and Betterment
OACM.Punitive.018	Exemplary or Punitive Damages Endorsement
OACM.RentProp-NOAuto.019a	Restricted Rented Property/Non-Owned Auto
OACM.NoBusiness.020	No Business Use Endorsement

**DETERMINATION OF TERRITORY**

The zip code of the principal garaging location shall be used to determine the territory. Students - vehicles operated by students who attend school away from home will be rated according to the territory rates of the school or the home, whichever is higher.

**CUSTOM EQUIPMENT**

Maximum coverage of \$1,500 per vehicle. An additional premium of \$15.00 per \$100 of value will apply. Deductibles shown on OTC and COLL coverages apply.

To afford coverage for any modifications to a vehicle for any equipment, which is not standard on the make and model described, it must be scheduled on the application, a photo and receipt included with the submitted application and the defined premium paid for the coverage. (Replacement of factory installed equipment with a higher valued item must also be scheduled).

Custom equipment includes any custom equipment, non-factory installed, which modifies the vehicle's appearance or performance, including, but not limited to: radio, glass, or chrome, alloy or mag wheels, T-Tops, campers or toppers, custom bodywork, custom paint, custom/wide tread tires, custom engine work/parts, custom interior work (carpeting, seat covers, paneling, furniture, appliances, including van conversions).

**CANCELLATION**

No flat cancellation allowed, unless at company request. Cancellations are calculated on a pro-rata basis. Cancellation refund checks will be mailed to the insured unless the producer has requested that they be mailed to their office for delivery to the insured.

**SR-22 FILING**

SR-22 is automatically generated and provided at point of sale. Company will issue the SR-26 in the event of cancellation. The SR-22 fee should be included with down payment. No commission payable on the Filing Fees.

**NON OWNER POLICIES**

Effective 11-01-14 non owner's policies will no longer be offered. Existing non-owner policies will be offered until their anniversary date and then non-renewed.

**LIABILITY LIMITS:**

Bodily Injury: \$30,000 / \$60,000                      Property Damage: \$25,000 & \$35,000

**PHYSICAL DAMAGE DEDUCTIBLES**

OTC (Options not available on convertibles or units with T-Tops.)	
\$100 Deductible:	136% of \$500 Deductible premium
\$200 Deductible:	115% of \$500 Deductible premium
\$500 Deductible:	Base Rate Deductible
\$1,000 Deductible:	82% of \$500 Deductible premium

**COLLISION DEDUCTIBLES**

\$250 Deductible:	139% of \$500 Deductible premium
\$500 Deductible:	Base Rate Deductible
\$1,000 Deductible:	77% of \$500 Deductible premium

**OPTIONAL COVERAGES** - If purchased must apply to all insured vehicles.

Medical Payments	\$500 per Insured
Personal Injury Protection	\$2,500 per Insured
Uninsured-Underinsured Motorist BI	\$30,000/\$60,000
Uninsured-Underinsured Motorist PD	\$25,000 & 35,000

**Note: UM/UIM - PD not available without UM/UIM - BI.  
Medical Payments cannot be written if PIP coverage has been selected. Refer to Mandated Coverage Rule.**

**MISCELLANEOUS COVERAGES** – Available only on vehicles with Physical Damage Coverage.

Towing & Labor (524A)	\$75.00 per disablement \$200 per disablement
Rental Reimbursement (523C)	\$30/day, \$750 max \$40 day, \$1200 max

(Rental and Towing can be sold separately)

Rental Reimbursement Coverage only reimburses the policyholder for the cost of renting a car while a vehicle listed on the policy is out of use due to a loss covered by the policy.

**MEXICO COVERAGE-LIMITED**

Endorsement OACM.551a, Mexico Coverage-Limited, will be added to each policy.

**COMPANY FEE SCHEDULE**

**POLICY FEE** - Fully earned, regardless of term.

<u>1 Month</u>	<u>6 Month</u>
\$12.00	\$70.00

**BILLING INSTALLMENT FEE**

A minimum of \$3.00 per month, increased by \$.50 for each \$250.00 or fraction thereof by which the new and renewal premium plus policy fee total exceeds \$500.00. The installment fee is based upon the new or renewal policy premium and is not adjusted in the event of a premium bearing endorsement to the insurance policy.

**LATE FEE**

**\$6.00 - Fully earned fee charged when a notice of cancellation has been issued, but is not yet effective,** and funds and/or requested information or item(s) are received prior to the effective date of cancellation, resulting in no lapse in coverage. This fee does not apply to 1 month policies.

**MVCPA FEE**

**1-Month Term** - \$.32 – Fully earned fee per vehicle.

**6-Month Term** - \$2.00 – Fully earned fee per vehicle.

**SR-22 FEE**

\$25.00 – Fully earned fee charged per SR-22.

**NSF FEE**

\$35.00 – Fully earned fee charged for a returned check.

\$35.00 – Fully earned fee charged for a returned ACH.

**NOTICE**

Since it is not possible to make rules to cover every situation, final decisions with respect to acceptance of risk, underwriting, rates, etc., are reserved to the company.

### **HURRICANE/INCLEMENT WEATHER RESTRICTIONS**

All binding authority is suspended in areas where the National Weather Service has issued a hurricane, flood, tropical storm, and/or tornado "watch" or "warning" and is within fifty (50) miles of the location of the proposed risk there may be no increased exposure. No new policy with Comprehensive or Collision coverage may be bound. No Physical Damage endorsement of existing policies may be requested which will have the effect of increasing the company's exposure. Renewals of the company's expiring policies may be written in the normal manner providing there is not an increase in exposure to the company. Applications with an effective date/postmark combination, which would violate the prohibitions listed above, will be rejected and no coverage will exist. New business and endorsement acceptance procedures will resume four (4) hours after the "watch" or "warning" has been lifted by the National Weather Service. All new business and endorsements requiring Physical Damage coverage which is bound 48 hours after the inclement weather restriction has been lifted requires photos AND an inspection form to determine pre-existing damage.

### **UNDERWRITING DECISIONS**

21st Century General Agency may use MVRs, CLUE, A-Plus, Household Driver, Criminal Background, and/or DMV (title) reports to determine if any risk is properly rated. Rates may be adjusted, driver exclusions requested, or policy cancelled, as needed, based upon information received via these reports.

### **NOTIFICATION OF ASSIGNED RISK PLAN RATES**

It is your responsibility to be in compliance with Texas Administrative Code 5.401(d), which reads as follows: "Insurers or agents who provide a quote to an applicant with no prior insurance having no more than one accident and one violation within the past three years which quote equals or exceeds the premium available through the assigned risk plan must inform the applicant of the approximate cost of coverage available through the assigned risk plan." Any agent found to not be in compliance with this rule will be subject to possible suspension or termination.

### **TEMPORARY SUBSTITUTE**

Endorsement OACM.022, Temporary Substitute will be added to each policy.

### **RENEWAL BINDING PROCESS**

Limited Policy renewal offers are sent to the insured at least 30 days in advance with a cover letter that stresses that it is important that the renewal documentation be received, along with the required signatures and the required down payment, **before** the effective date of the renewal policy. (A total of three signatures are required in addition to an initial for each listed Limiting Policy limiting endorsement)

The insured is provided with the option of mailing the renewal documents directly to the company or utilizing their agent to complete the renewal process.

## LIMITED ENDORSEMENTS

Listed below are the 21st Century Select Program limiting endorsements.

### OACM.PhysDam.001

The Company will pay the cost to restore your covered auto to its pre-loss condition. The amount we pay may be based upon the cost of aftermarket or recycled used parts, at the Company's option. If you choose a more expensive part, you may be responsible for the difference in cost.

There is no coverage under Part D – Coverage for Damage to Your Auto, for any equipment on or in your covered auto that was not installed at the factory unless coverage is shown for the equipment in the Declarations Page.

If repair or replacement of your covered auto or part of your covered auto results in betterment of the vehicle or the part, **you will be required to pay the difference** in order to get your auto repaired or replaced.

### OACM.Storage.004

In the event that your covered auto requires storage following an accident, you must authorize us to have it moved to a facility of our choice at our expense

### OACM.DeIFee.005

The policy no longer provides coverage for liability or physical damage if your covered auto or **any auto operated by an insured** is being used to carry, transport or deliver people, property or goods for a fee. This includes, among other things, delivering food, newspapers or flowers. **If you engage in the activity of carrying, transporting or delivering items or people in exchange for compensation, you must disclose this on your application for insurance.**

### OACM.ContLiab.006

There is no coverage under Part A – Liability Coverage where liability for the loss is imputed or assumed solely because you signed a contract that references your automobile liability coverage. **If you rent an auto, you should notify the rental company of this change to your policy, as there may be optional coverage that you can purchase from such company.**

### OACM.AutoTerm.007

If someone other than you or a family member becomes the owner of the auto, then coverage for that auto will automatically terminate at the time possession, title or right of control is passed on to the new owner

### OACM.CrimeIntent.008

There is no coverage under any portion of this policy for damages or injuries that result or may reasonably be expected to result from the intentional or criminal acts of you, a family member or anyone operating your auto with your consent. There is also no coverage under this policy for damages or injuries that result while you, a family member or anyone operating your auto with your consent is attempting to evade arrest of a law enforcement official.

### OACM.MisrepFraud.009

We may void this policy and provide no coverage under any portion of this policy for any claim that would otherwise be covered in the absence of your fraudulent conduct, misrepresentations, misstatements or omissions of important information, including those made when applying for coverage. If you engaged in these activities and we still made a payment under your policy, we have the right to recover from you the amount of the payment we made.

OACM.OutOfState.016a

- o If you are involved in an accident in a state or province that has compulsory insurance laws for non-residents, we will honor that province or state's requirements as to the liability coverage. However, we will not automatically provide first party coverage or increased limits for first party coverage in states that have no-fault or similar insurance laws.

OACM.DV-B.017

If repair or replacement of your covered auto or part of your covered auto results in betterment of the vehicle or the part, you will be required to pay the difference in order to get your auto repaired or replaced.

If there is a reduction in the market or resale value of your covered auto that results from a loss, we will not pay for the cost of the reduction.

OACM.Punitive.018

Exemplary damages means any damages awarded as a penalty or by way of punishment but not for compensatory damages. Exemplary damages are neither economic nor noneconomic damages. Exemplary damages include punitive damages. This policy will not provide coverage for you in the event that you or an uninsured/underinsured motorist becomes liable for exemplary or punitive damages.

OACM.RentProp-NOAuto.019a

We do not provide Liability Coverage for any person: **1.** For damage to property **a.** rented to; **b.** used by; or **c.** in the care, custody or control of that person. **2.** This exclusion (A.3.I) does not apply to damage to: **a.** a rented residence or rented private garage caused by **your covered auto**; or **b.** any **temporary vehicle**. This exclusion does, however, apply to any and all damage to any vehicle you rent, use, or borrow, except any **temporary vehicle**, regardless of cause or fault.

OACM.NoBusiness.020

**IF YOU ENGAGE IN ANY BUSINESS USE OF YOUR COVERED AUTO, THERE WILL BE NO COVERAGE, BOTH UNDER PART A – LIABILITY COVERAGE & PART D – COVERAGE FOR DAMAGE TO YOUR AUTO**

Business use includes but is not limited to transporting persons, equipment or tools of the trade to or from a job site or using a vehicle while engaged in any business or occupation, including but not limited to: construction, courier or delivery services, landscaping, painting, carpentry, masonry, food services, janitorial services, or any other trade-type service.