



CLEARSIDE

General

California Private Passenger Automobile Rule Guide



New Business Effective
7/1/2013

Underwritten by Integon National Insurance Company
California Summit Program

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How to Contact Us

Phone and Fax Numbers

Claims Reporting (Available 24/7), Toll-Free Number	1-888-210-6111
Policy Services	1-909-944-1400
Monday through Friday 8:00am to 5:00pm	
Underwriting Fax & Memo Correspondence Fax	1-909-243-7150
Marketing	909-944-1400 Opt 5
Supplies:	
Producer Guide, Policy Jackets, Forms, etc	clearsidegeneral.com
Technical Support/Help Desk	1-909-944-1400 Opt 5

Addresses

All Payments:

ClearSide General
PO Box 545
Rancho Cucamonga, CA 91729-0545

Claims Reporting

We strive to provide fast, fair claims service when a loss occurs. Whenever possible, please encourage your policyholder to call the Integon National Insurance Company Claims department immediately to report an accident or loss. This will enable the insured to obtain immediate attention to the claim and receive the best possible service. All claims, including glass/windshield claims, must be called into the claims reporting phone number listed above.

ClearSide General Automated Billing Information System

Billing information is available 24 hours a day, 7 days a week through ClearSide General Automated Billing Information System. The system is easy to use and provides you with quick and accurate policy information. When you call, have the full policy number available. The system needs all numbers to accurately identify policy information.

To access the automated billing information system, dial **1-866-656-8268**.

A Support Services representative is available during regular business hours if you have any questions at 909-944-1400.

General Information

PROGRAM QUALIFICATIONS

The Summit Program is only available to members of ClubDentPro.

DEFINITION OF PRIVATE PASSENGER AUTO

When used throughout this Rule Guide, the term “auto” means a car with at least four-wheels licensed and designed for use on public roads of the private passenger, pick-up, sedan, delivery, panel truck or utility type with a capacity of one (1) ton or less, not used in a business or occupation other than farming or ranching of you or a relative.

COMPANY BULLETINS

Company bulletins are an official communication of any updates that may occur to our underwriting manual and serve as an addendum to the manual. Please keep any future bulletins together with this manual for reference.

POLICY TERM

The Summit Program offers policy terms of three, six or twelve months on a direct bill basis depending upon the payment plan selected by the insured and consistent with California Insurance Code Section 660 (e).

LISTING OPERATORS

All residents in the household age 14 & older MUST be listed on the application. All drivers residing in the household must be listed as operators or excluded from coverage on the application. Anyone with regular access to a vehicle should be listed whether she/he resides in the household or not.

POLICY JACKET

The Policy Jacket will be provided to the insured with the Policy Issuance documents. Please review the claims reporting procedures in the policy jacket with the insured. Should conflict arise between the Policy and the Rule Guide, the Policy is the controlling document.

Business Processing

APPLICATIONS

New business may be submitted no earlier than the time and date the applicant signs a fully completed application and pays the required down payment.

Applications must be uploaded on or before the application effective date.

Complete the automated application fully and accurately. Transmit the application and proper down payment to the company. All supporting documentation must be maintained in your office and be made immediately available for audit at the company's request.

Failure to provide all necessary information could result in a delay in policy issuance or in a policy being issued at a premium higher than initially quoted.

SUBMISSIONS

Coverage will be effective as of the date and time the application is signed by both the applicant and producer, provided:

1. The down payment is received by the producer.
2. The producer uses ClearSide General proprietary transmission software as agreed in writing in advance between the producer and ClearSide General.
3. The printed application and additional forms are signed by the named insured.
4. The risk is consistent with our underwriting guidelines.

In addition:

1. Producers do not have the authority to issue policies, endorsements or cancellation notices.
2. We do not permit brokering of business. It is not acceptable for you to write business through and/or give our underwriting materials to other producers or brokers, or for you to submit applications to us for risks that will be serviced outside your office.
3. The insurance coverage requested is predicated on ClearSide General receiving premium. If the insured's down payment is paid by a check that is not honored by his or her bank, no coverage will be provided.
4. All applications must be signed by both the applicant and producer, indicating the time and date submitted.
5. The named insured may be excluded from the policy but must still sign the application. The spouse may also be excluded.

The application is part of the policy contract and must be completed. By signing, the insured is agreeing that the information contained in the application is accurate. Incomplete applications may result in the policy being rejected or rated differently than submitted.

Producers do not have authority to issue policy declarations pages, endorsements or cancellation notices unless specifically authorized by the Company in writing. Producers are required to distribute all applicant forms issued at the point of sale.

ClearSide does not permit sub-brokering of business. It is not acceptable for you to give our ID cards or underwriting materials to other producers or brokers, or for you to accept applications from them for risks they have underwritten or will services outside of your office.

There is no binding period for installment payments – payments must be postmarked or uploaded before the cancellation date.

Nothing in this Rule Guide shall create any agency relationship whatsoever between the producer and ClearSide General.

COMMISSION STATEMENTS

Producers will receive commission statements monthly. A debit balance must be paid promptly and in full. The "Master Producer" will receive commission statements for all branch offices within that account.

PROCESSING

Complete all requested information and retain the application with a photocopy of a driver's license(s) or photo I.D and vehicle registration(s) (applicant's current DMV registration or bill of sale).

All supporting documents shall be maintained with the signed application. In the event ClearSide General needs any document retained by the Producer, the Producer is contractually obligated to send such documents within 24 hours of receipt of ClearSide General's request.

ENDORSEMENTS

Endorsements should be submitted using our policy transmittal system on or before the effective date of the endorsement. If any automobile, driver or coverage is added during the policy term, the premium for the endorsement will be based on the rates in effect at the inception date of the policy.

REMINDER: There is NO automatic coverage for newly acquired vehicles or “new” household or regular drivers. The producer must follow these endorsement guidelines carefully to request any “change” in coverage.

Coverage Additions

Coverage changes or additions are effective no earlier than the date and time the applicant notifies the Company of the change.

Obtaining Immediate Coverage

When an insured wants to obtain immediate coverage for a “new” driver or a “newly” acquired vehicle, they may do so by contacting the Producer. The Producer is responsible for requesting the “change” by using the ClearSide policy transmittal system via phone or fax. If the Producer is unavailable to the insured, the insured may request the “change” through ClearSide General by calling customer service at 909-944-1400 or emailing support@clearsidegeneral.com during normal business hours, Monday – Friday. Confirmation of coverage and all applicable supporting documents are required prior to changes being effective.

RENEWALS

Policies will be reviewed and re-rated at expiration using current rates, point counts and classifications.

CANCELLATIONS INSURED'S REQUEST

The named insured may cancel the policy by giving the company written notice prior to the requested cancellation date. A \$50 cancellation fee will apply.

FEES

The Company charges the following fees which are fully earned:

Non-Sufficient Funds Fee – A fee will be charged on all payments returned not honored by the bank.

Late Fee- A fee will be charged for any policy reinstated if the lapse in coverage is less than 3 days

MVR Fee – A fee will be charged for ordering motor vehicle reports.

SR22 Fee/SR22 Reinstatement- A fee will be charged for financial responsibility filings.

Reinstatement Lapse Fee- A fee will be charged for any policy reinstated if the lapse is more than 3 days.

Installment Fee- A fee will be charged to all installments and down payments.

Policy Fee- A fee will be charged on New Business and Renewal policies.

Endorsement Fee- A fee will be charged for any policy endorsement that occurs after the first 72 hours from the initial policy effective date.

Cancellation Fee- A fee will be charged for insured requested cancels.

Returned Mail Fee- A fee will be charged for any policy where documents mailed to the insured's address shown on the declarations page were returned as undeliverable more than one time.

Phone Payment Processing Fee- A fee will be charged for processing any credit card payment.

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.

DUPLICATE COVERAGE

We will flat cancel a policy at the insured's request in situations involving duplicate coverage if proof indicating duplicate coverage for the same vehicles and coverages is received.

Risk Acceptability

The Company underwrites all business submitted. Final acceptability is determined after a complete review of the submitted information. Check all of the "Unacceptable Risk" sections for operators or vehicles that should not be submitted to ClearSide General. Since it is impossible to cover every aspect that might affect the acceptance of a risk, the Company must remain the final authority in the acceptance or continuation of any risk.

These provisions do not apply if any driver on the policy qualifies as a good driver, as defined in California Insurance Code 1861.025 and the vehicles insured are private passenger type, as defined in California Insurance Code 660.

As part of the Underwriting Process, the Company may verify application information including discount proof, other operators and residents of the household.

UNACCEPTABLE OPERATORS

The following operators are unacceptable. The company will not accept requests for coverage on the following risks.

Any operator who:

- is under the minimum State licensing age;
- whose license is currently revoked and will not be reinstated with an SR-22 filing;
- has a felony conviction involving the use of an automobile until they qualify for a Good Driver policy;
- has more than two drug and/or alcohol related vehicle convictions in the past 36 months;
- has more than two principally at-fault accidents in the past 36 months;
- has more than 30 Integon National Company points as defined on pages 14 and 15;
- Is a former policy holder who has had coverage cancelled and rewritten more than twice in the past 36 months unless policy is prepaid;
- Is a former policy holder who has an unpaid balance due unless the balance due is submitted in addition to the required down payment for the policy;
- Any driver with a permanently revoked or canceled license, unless that driver is excluded from coverage;
- Any driver convicted of insurance fraud;
- Named insured under the age of 18 unless parent or guardian's signature accompanies the insured's signature on all areas of the application;
- Any driver with vehicular manslaughter, criminal negligence, or negligent homicide.

UNACCEPTABLE VEHICLES FOR ANY COVERAGE

The following vehicles are unacceptable. The company will not accept requests for coverage on the following risks.

- Vehicles garaged outside California;
- Vehicles not registered in the United States;
- Flat bed, stake or modified bed trucks;
- Step vans, panel vans or cut-away vans;
- Aluminum or stainless steel cars;
- Antiques, obsolete or other vehicles with an inflated value;
- Custom, rebuilt, altered, or modified vehicles (including vehicles with lift kits over 6 inches or low riders under 3 inches), and specially built vehicles (including kit cars and Dune/Baja Buggies), off-road vehicles (does not include vehicles altered to accommodate the handicapped);
- Commercial or emergency vehicles, taxis, rental cars, or any vehicle for hire;
- Vehicles equipped with cooking equipment or a bathroom.
- Motor homes, travel trailers, or any vehicles that must be towed. This does not include utility type trailers which are automatically covered for liability.
- Vehicles not registered to an insured, unless leased under a long-term lease contract (6 months or more) from a leasing company;
- Vehicles with a load capacity in excess of one ton;
- Vehicles manufactured by Daewoo;
- Gray-market vehicles (those imported into the U.S. that were not originally manufactured for distribution or sale in this country);
- Electric or experimental vehicles;
- Vehicles with a current value greater than \$70,000;
- Vehicles that require over \$5000 additional custom equipment coverage;
- Dump trucks, tow-trucks or wreckers;
- Vehicles used or equipped for use in speed contests or racing, or other "Hot Rod" vehicles;
- Vehicles used for deliveries, including, but not limited to: pizza delivery, courier services, or paper delivery;

Risk Acceptability

UNACCEPTABLE VEHICLES FOR ANY COVERAGE (continued)

- Vehicles owned or leased by a corporation, partnership or other business;
- Vehicles leased or rented to other operators by the applicant;
- Vehicles that are regularly made available to non-listed drivers;
- Vehicles available to multiple drivers for sales, farming, etc.
- Customized vehicles in which the value of the customization exceeds 50% of the current value of the vehicle without customization;
- Commercial vehicles;
- Farm Classes;
- Vehicles over 30 years old;
- Vehicle with a junk title, dismantled title, fire damage title, flood damage title, hail damage title or titles that have been “washed” or altered;
- Vehicles with more or less than 4 wheels, except “dualies”;
- Vehicles that are not “roadworthy”;
- Vehicles not registered for street use;
- Vehicles used to transport nursery or school children, migrant workers, hotel/motel guests, patients, or members of a van/car pool;
- Vehicles used for an escort service;
- Vehicles transporting explosives, chemicals, radioactive materials or flammable substances;
- Vehicles with an incomplete chassis;
- Conversions vans requesting comprehensive and collision coverage.
- Smart cars

UNACCEPTABLE VEHICLES FOR PHYSICAL DAMAGE COVERAGE

The following vehicles are unacceptable for physical damage coverage. The company will not accept requests for coverage on the following risks.

- Vehicles with over \$1,000 in existing damage. Vehicle(s) must be inspected by the broker and photos are to be maintained in the file. Complete description of the damage must be included on the new business application. The damage cannot affect the safe operation of the vehicle;
- Salvaged vehicles;
- Any vehicle with over \$5000 in additional/custom equipment (refer to coverages);
- Vehicles with a cost new over \$70,000;
- Any vehicle where a police report indicates the vehicle was severely damaged in an accident (damage cannot exceed deductible);
- Any vehicle declared a total loss by an insurance company;
- Any vehicle used as a crash test vehicle;
- Any vehicle listed in recycler inventory;
- Any vehicle with a previous airbag deployment;
- Any vehicle with a failed frame mechanical inspection;
- Any vehicle reported as stolen and not recovered;
- Any vehicle with a salvage title.

UNACCEPTABLE VEHICLES (for any coverage)

These provisions do not apply if any driver on the policy qualifies as a good driver, as defined in California Insurance Code 1861.025 and the vehicles insured are private passenger type, as defined in California Insurance Code 660.

Make	Model
All models	Pure Electric Vehicles
ARO	All Models
Aston Martin	All Models
Avanti	All Models
Bentley	All Models
BMW	Z8
Bricklin	All Models
Bugatti	All Models
Cadillac	All Hearses and Limousines
Callaway	C12
Checker	All Models
Chevrolet	Lingenfelter, Hammer and Mallet Corvettes

Chrysler	All Limousines
Delorean	All Models
Dinan	All Models
Ferrari	All models
Ford	All Saleen Mustangs, Ford GT
Hennessey	All Viper Models
Jeep	Postal Units
Jensen	All models
Lada	All models
Laforza	PSV-L4
Lamborghini	All Models
Lotus	All Models except Elise
Maserati	All Models
Maybach	All Models
McClaren	All Models
Mercedes	SLR McLaren, CL65 AMG
Morgan	All Models
Mosler	All Models
Nissan	All Stillen Z models
Panoz	All Models
Pantera	All Models
Pontiac	Lingenfelter Trans Ams
Porsche	All Ruf models, Carrera GT
Rolls Royce	All Models
Roush	All Roush Mustangs
Ruf	All Models
Saleen	All Models
Shelby	Cobras and Series 1
Subaru	Postal Units
Toyota	All HKS enhanced Supra Turbos
Vector	All Models

UNACCEPTABLE VEHICLE USAGE

Vehicles used in any of the following are unacceptable.

- Vehicles used for pick-up or delivery of any type;
- Vehicles used for emergency or law enforcement;
- Vehicles used for any public or private livery transportation (limousines, taxis, busses or vanpools);
- Transporting nursery or school children;
- Vehicles used for short-term rentals;
- Vehicles used for snowplowing for hire;
- Vehicles used in racing, any type of speed or drag contest or any stunting activity;
- Vehicles used in delivery: mail/parcel post, messenger or courier service, newspaper;
- Vehicles used as a residence;
- Vehicles leased or rented to other operators by the applicant;
- Vehicles available for use by operators not listed on the policy;
- Pickups and vans with a load capacity in excess of one ton; or
- Vehicles registered to the insured's business or employer; or
- Vehicles used for Business or Artisan Use.

Risk Acceptability

VEHICLE USE

Pleasure Use. Vehicles not used for business/commercial purposes; vehicles used to commute back and forth to work or school; vehicles used primarily on a farm, ranch or orchard.

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.

GEOGRAPHIC ZONE RULES FOR MILITARY PERSONNEL

Active military and their spouses may furnish an out of state driver's license and the military identification.



Driver Information

ELIGIBLE OPERATORS - APPLICATION LISTING RULE

All operators of the vehicles to be covered and all residents of the household age 14 and older must be disclosed on the application whether they are licensed or not. All residents of legal driving age, all frequent operators, and children who live away from home and drive the vehicles, must be rated or excluded from the policy. Children who live away from home is defined as the insured's dependent children who drive the insured's vehicles during regular visits. People who have a permanently revoked license are unacceptable and must be excluded. **Neither liability nor comprehensive/collision coverage will be extended to excluded drivers.** Any regular operator of any vehicle should also be listed, regardless of whether they reside in the household or not. Operators must meet all underwriting guidelines and permanently reside and garage all vehicles in the same state. Non-excluded operators may not live or work in Mexico.

Failure to report all operators to the Company may constitute material misrepresentation of risk.

NAMED INSURED

The policy may be written only in the name of an individual or in the names of a husband and wife or same gender domestic partners who are residents of the same household. Only one policy may be issued to an individual, husband and wife or same gender domestic partners.

A policy may not be written in the names of two or more individuals, including a parent and a child. If a vehicle is titled to two related persons, only one may be listed as the named insured. The company will list the second person as a designated covered person if requested.

Automobile leasing companies may be listed as additional insured's. However, no other businesses are acceptable as additional insured's.

Only one policy may be issued to family members residing in the same household unless the vehicles to be insured are titled and registered in different names and the same person does not appear on multiple titles or registrations as a co-owner. This rule does not apply to Named Non-owner policies which can be written for more than one family member residing in the same household.

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 MVR experience.

Married -An operator who is a legally married person. The definition of "married" excludes common law marriages.

Permanent Domestic Partner (PDP) - If a driver is listed as a registered domestic partner, the partner of the same gender 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. Dependent children and relatives are not eligible. Acceptable proof includes one of the following: a Domestic Partnership certificate or signed Domestic Partner affidavit.

MARRIED REQUIREMENTS

To be rated as married, a person must share a common residence with their spouse and each must be listed on the policy. Married people who live apart; separated persons; and widowed persons are rated as Single.

DRIVER EXCLUSION

Any person other than the person shown in the Declarations may be excluded from coverage. Include the reason for the exclusion and driver license number in the Remarks section of the application. The named insured must sign exclusion of Named Driver Form.

- Any driver may be excluded from the policy. However, exclusions are not available on any driver with an SR-22 filing (Financial Responsibility Filing, or policy if state required).
- Individuals who have a permanently revoked license or have never been licensed (except a non-licensed spouse) are not acceptable and must be excluded.
- Drivers cannot be excluded from specific vehicles on a policy.

DRIVER EXCLUSION ENDORSEMENTS

- An endorsement excluding coverage while a named individual operates an insured motor vehicle is permitted. **NEW BUSINESS:** The named insured must sign the "Request to Exclude a Named Driver" section of the application.
- This exclusion will apply to the current policy term and all renewals and will only be superseded by an endorsement request to add the excluded person to the policy as a driver.
- **IN-FORCE POLICIES:** To exclude specific individuals during the policy term, retain signed driver exclusion form in file, properly completed, showing the effective date of change and observing proper rules. An amended declarations page will be issued. The endorsement will only be superseded by a request to add the excluded person to the policy as a driver.
- Additional Interests may be excluded. Inform the applicant that the Additional Interest has no coverage if **DRIVING** the vehicle. Integon National Insurance Company will not pay for any claim arising from an accident or loss which occurs while any vehicle is being driven, either with or without the named insured's permission, by an excluded driver.

DRIVER/VEHICLE ASSIGNMENT

All operators in the household shall be evaluated. Rate the highest vehicle to highest driver in descending order. If there are more vehicles than operators, the remaining vehicle(s) shall be assigned an EV driver class with zero violations.

License Status & Types:

Revoked/Suspended, Canceled License

1. Drivers with a temporarily revoked, suspended or canceled license at any time during the chargeable violation period will be considered for rating.
2. Drivers with permanently revoked licenses are not acceptable risks. The driver must be excluded for us to accept other household members on the policy.

Learner's Permit

1. Drivers with a learner's permit who are single, under the age of 16, and a child of the primary named insured, will not be included in the rating of the policy. The permit driver will become a rated driver at the earliest of:
 - a) Notification by the named insured that the permit driver has obtained his/her full license; or
 - b) The first renewal of the policy after the permit driver is at least 16 years of age. We will notify the customer of the change in rating.
2. All other permit drivers must be rated or specifically excluded from coverage by completing the "Request to Exclude a Named Driver" section of the application or the Exclusion of Named Driver Endorsement form.
3. Driver's with learner's permits will be rated with zero years licensed.

Filing Information (SR-22's)

- Individuals requiring a Financial Responsibility Filing (SR22) cannot be excluded from coverage. An SR-22 Fee, earned in full at inception, will be added per filing.
- Filings will only be provided for California.
- All vehicles owned by the driver requiring the filings must be listed on the policy.
- The name on the filing must appear exactly as it reads on the driver's license.
- Filings are not available for a driver with an unverifiable driving record.

Driving Record Points/Violations

POINT CHARGE DETERMINATION

The experience period for both new and renewal business shall be the 36 months prior to the effective date of the policy. Using the driving records of individual drivers during the experience period, the rater will determine point charges from the Point Assignment Table. If more than one point charge results from a single incident, enter all accidents and violations from the incident in the rating software. The rater will automatically use the highest point charge. Violations charged for by the DMV will be charged for under this program. In determining violations counted, use the California Vehicle Code Violations used in the Negligent Operator Count list published by the California Department of Motor Vehicles as the guideline.

ACCIDENTS & VIOLATIONS

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

Points are surcharged based on the following point count configuration:

Minor Violations	1 Point
Intermediate Violations	2 Points
First DUI (prior chargeable incidents)	2 Points
First DUI (no prior chargeable incidents, <= 25 years old)	2 Points
First DUI (no prior chargeable incidents, >25 years old)	0 Points
Second DUI (no prior chargeable incidents)	4 Points
Second DUI (prior chargeable incidents)	4 Points
First Major Violation	2 Points
Second & subsequent Major Violations	4 Points
First Chargeable Accident	4 Points
Second & subsequent Chargeable Accidents	5 Points

CHARGEABLE ACCIDENTS

An accident is chargeable if the occurrence resulted in liability (BI/PD or death) or collision damage (paid, outstanding, or deemed to be responsible) exceeding \$750 for accidents occurring before December 11, 2011 and \$1000 for accidents occurring on or after December 11, 2011 arising out of ownership, use or operation of an automobile, other than "not at fault".

An accident is not chargeable if:

- Vehicle was lawfully parked (if the parked vehicle rolls from the parked position then any such accident is charged to the person who parked the auto);
- Vehicle was struck in rear while legally stopped for traffic or traffic control device and the applicant or other resident operator has not been convicted of a moving traffic violation in connection with this accident;
- Vehicle collided with a bird or animal, except that accidents involving hitting another vehicle or object as a result of swerving to avoid a bird or animal ARE at fault;
- Vehicle was involved with a hit-an-run driver, and the report was made to proper authorities within 24 hours by the applicant or resident operator;
- Accident in which reimbursement was obtained from another party, providing the company makes no liability payment on behalf of the insured. Must be verified by the previous carrier. (One-car accidents shall be considered "at-fault.")
- Applicant, owner, or resident operator was involved in an accident, which was
 1. Determined to be less than 51% negligent, or
 2. Reimbursed for 51% or more of his or her damages by or on behalf of, person involved in accident.
Accident occurring when using auto in response to a call as a fire, safety, or law enforcement person;
- Accidents involving physical damage, limited to and caused by flying gravel, missiles, or falling objects; and
- 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).

Acceptable proof of "not at fault":

- A police report indicating less than 51% responsibility
- A letter from the claims department
- A copy of a claims draft payable to the insured
- A signed letter stating that they were not at-fault and there is no other evidence (such as a A-PLUS Report) that the accident was the insured's fault
- The insured can contact the company and we will provide them with a form to sign that states they were not at-fault in the accident under penalty of perjury

Good Driver Discount Eligibility:

- An operator is permitted to have 1 accident in which s/he is found to be "at least 51% at-fault" of an accident which resulted only in damage to property (not in excess of \$750 if the accident occurred before December 11, 2011 or \$1,000 if the accident occurred on or after December 11, 2011).
- An operator is ineligible for the Good Driver discount if s/he is found to be "at least 51% at-fault" in an accident resulting in bodily injury or if an operator has more than 1 accident in which s/he is found to be "at least 51% at-fault" of an accident which resulted only in damage to property (in excess of \$750 if the accident occurred before December 11, 2011 or \$1,000 if the accident occurred on or after December 11, 2011).

DRIVING UNDER THE INFLUENCE OF ALCOHOL

Driving under the influence of alcohol

Drunk driving

Open container

Refusal of alcohol test (Implied consent law)

All other alcohol-related violations

MAJOR VIOLATIONS

Hit and Run

Unlawful use of driver license

Reckless driving

Driving wrong way upon on-ramp (21664)

Speed contest

Failure to yield to approaching vehicles (21801 A&B)

Exhibition of speed (other than normal speeding)

Unsafe turn (22107)

Eluding a police officer

Any felony involving a motor vehicle

Violation of anti-theft laws

All drug-related violations

Operate vehicle without consent

Negligent driving (22517)

Careless driving (23128B)

INTERMEDIATE VIOLATIONS

Defective equipment

Failure to have vehicle under control

Driving while license suspended/restricted

Improper lane change

Cell phone usage violations

MINOR VIOLATIONS

One way street or highway

Stop violations

Speed

All other minor moving violations

Failure to operate equipment

CONVICTIONS

Refer to the driving record of the principal and each additional operator to determine the convictions of each operator. For this purpose, use the California Department of Motor Vehicles public record of traffic violations. Out-of-state convictions count the same as in-state convictions, provided the violation would have resulted in a point assignment, had it occurred in California. There is no cap on the number of minor convictions allowed for eligibility purposes.

Minor violations occurring while driving an employer's vehicle for compensation may not be chargeable and should be identified on the application. This exception does not apply to major violations or accidents. A letter on letterhead from the employer, signed by the owner or manager, or the employee's written declaration, per *CIC 488*, is required in order to not charge for employment related minor violations.

However, charges for the following violations cannot be waived:

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

MULTIPLE OCCURRENCES 3 POINTS

Any driver who has three or more separate chargeable occurrences on his/her driving record in the past three-year experience period is charged three points, in addition to the points charged for the violations and/or accidents. The occurrences can be chargeable accidents, chargeable violations or any combination of both.

DISMISSALS - TRAFFIC SAFETY SCHOOL

The state masks the first Traffic School dismissal. Subsequent citations within 18 months will show on the MVR, even if the driver attends class again. Dismissed violations, which appear on the MVR will be included in the total point count.

SAME DAY OFFENSES

If multiple violations occur on the same incident and date, only the violation with the highest point count will be charged. (Multiple violations in different incidents will be charged on the same date.)

Vehicle Information

ELIGIBLE VEHICLES

Eligible vehicles include private passenger automobiles, pickups, vans and utility vehicles.

PRIOR DAMAGE

Vehicles with acceptable existing damage may be written only after the broker has inspected the vehicle. Photographs and a complete description must accompany the application. Vehicles with damage that may affect their safety and/or roadworthiness are unacceptable.

VEHICLE SYMBOLS

The rater automatically assigns vehicle symbols for eligible vehicles. If a vehicle does not appear on our list and is otherwise eligible for coverage then please call your Underwriting Service Team for assistance. Coverage for Additional/Custom Equipment is not considered in the symbol assignment, and is not afforded unless it is declared on the application and a premium is paid. Refer to the Coverage & Claims section of this manual for details. Vehicle Identification Number (VIN)

The Company's system uses the VIN to verify vehicle and symbol. If the VIN on the application is incomplete or incorrect, it may result in delayed processing, incorrect rating or cancellation for unacceptability.

NEW MODEL VEHICLES

When the symbol is not available, use the previous year's symbol.

ANNUAL MILEAGE DETERMINATION

Annual Mileage is one of the primary rating factors. As such, it should be determined by the applicant/insured based on their best estimate. The broker should work with the applicant or insured in coming up with this determination. In a case where an application or request to add a vehicle is submitted without the annual estimated mileage and we receive no response from the applicant/insured from our request to provide this information we will use 12,000 annual miles. We will change the annual mileage used at any time we are notified by the insured of a new estimated annual mileage.

ANNUAL MILEAGE

During the new business application process, applicants are required to provide the estimated annual mileage for each vehicle to be insured on the policy. If the applicant's estimated annual mileage is less than 10,000 miles for any vehicle on the application, the applicant will be required to provide the current odometer reading for that vehicle and the estimated annual mileage for that vehicle as permitted by California Code of Regulations T. 10 § 2632.5 (c)(2)(C).

The applicant will also be notified prior to the effective date that ClearSide General may retroactively adjust premiums based on actual annual miles driven if those actual miles differ from their estimated mileage.

A form will be provided to the applicant during the application process. The purpose of the form is to obtain the current odometer reading and annual estimated mileage for each vehicle on the application with annual estimated miles less than 10,000 miles.

Additionally, the form will disclose that ClearSide General may charge retroactive premiums if the actual annual mileage differs from the estimated annual miles given on the application. The applicant will be allowed 30 days from policy inception to return the form to ClearSide General or to the applicant's producer. If the applicant fails to complete the form and return the required information for any vehicle, then the default mileage assumption of 12,000 miles will be assigned to that vehicle. If the form is returned with information that does not support the estimated annual mileage on the application, a reasonable objective mileage estimate will be developed based on the information provided and that estimate will be used to rate the policy.

Coverage Information

BODILY INJURY COVERAGE RULES (BI)

- All vehicles on the policy must carry the same limits.

Available BI Limits are (\$000s):
15/30

PROPERTY DAMAGE COVERAGE RULES (PD)

- All vehicles on the policy must carry the same limits.
- PD limit cannot exceed the per occurrence limit for BI coverage

Available Property Damage Limits are (\$000s):
5
10

UNINSURED MOTORIST BODILY INJURY COVERAGE RULES (UMBI)

- UMBI coverage may be selected or specifically rejected.
- UMBI is a policy level coverage. If selected, UMBI Coverage will apply to all vehicles on the policy.
- Limits cannot exceed the bodily injury liability limits.

Available UMBI limits are (\$000s):
15/30

UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE RULES (UMPD)

Available UMPD limits are (\$000s):
\$3,500 (including Collision Deductible Waiver)

MEDICAL PAYMENTS COVERAGE RULES (MP)

- Limits are per person/ per accident.
- Limits must be the same on all vehicles.

The available limits are:
\$1000

PHYSICAL DAMAGE/COMPREHENSIVE & COLLISION COVERAGE RULES (Comp/Coll)

LOSS PAYEE DEDUCTIBLE: \$500

- Comprehensive and Collision must be written together.
- Comprehensive deductible may not exceed the Collision deductible.
- Deductibles can vary on a multi-car policy.
- Physical damage only policies are not available.
- Physical Damage Coverage does not have to be selected for each vehicle on a multi-vehicle policy.

The following deductibles can be selected in any combination:

\$500
\$1,000
\$2,500
\$5,000

NATIONAL GENERAL INSURANCE DIRECT REPAIR PROGRAM (DRP)

The repair facilities under this program have been inspected by our Claims Department and meet strict requirements needed for repairing today's advanced vehicles. In the event of a loss, our Claims Department will recommend the insured to the nearest NGIC DRP facility. We have set up a network of repair facilities throughout the state of California for the insured's convenience. The insured will only have to pay the deductible to the DRP facility.

If it is determined that the damaged property is to be repaired and the insured chooses to utilize a repair facility which is not a NGIC DRP facility, we will pay eighty percent (80%) of the fair and reasonable repair charges from that repair facility. The deductible will be applied after the Company has computed the payment. The insured will be responsible to the body shop for the deductible.

To access a list of our DRP Facilities, go to clearsidegeneral.com.

NAMED DRIVER ENDORSEMENT OPTION (applies to Comprehensive/Collision only)

A discount to comprehensive and collision coverage will apply when an insured opts to purchase the named driver endorsement option. **A NAMED DRIVER POLICY COVERS ONLY DRIVERS THAT ARE LISTED IN THE DECLARATIONS PAGE. IF ANY PERSON DRIVES THE INSURED VEHICLE AND IS NOT LISTED IN THE DECLARATIONS THERE IS NO COVERAGE.**

NAMED AUTO ENDORSEMENT OPTION

A discount will apply when the insured opts to purchase the named auto endorsement option. **A NAMED AUTO POLICY COVERS ONLY VEHICLES THAT ARE LISTED IN THE DECLARATIONS PAGE. THERE IS NO COVERAGE FOR DRIVING ANY OTHER VEHICLE NOT LISTED IN THE DECLARATIONS PAGE. THIS APPLIES TO BORROWED, RENTED OR OTHERWISE.**

DOUBLE DEDUCTIBLE ENDORSEMENT OPTION (applied to Comprehensive/Collision only)

A discount will apply when the insured opts to purchase the double deductible endorsement option.

DOUBLE DEDUCTIBLE APPLIES DURING THE FIRST 60 DAYS AFTER POLICY INCEPTION, REINSTATEMENT WITH LAPSE, REWRITE WITH LAPSE OR RENEWAL WITH LAPSE IN COVERAGE. The deductible listed on the **Declarations** is doubled. For example, with a \$500 deductible the deductible will be \$1000 within the first 60 days of the inception, **REINSTATEMENT, rewrite, renewal WITH LAPSE.**

RENTAL REIMBURSEMENT COVERAGE RULES (RR)

Rental Reimbursement Coverage reimburses the insured for the lesser of actual daily rental charges or the purchased limit option for a maximum of 30 days for each qualified disablement on a covered vehicle.

Qualified disablement means a loss covered by the Liability, Other than Collision (Comprehensive), or Collision coverage sections of the policy.

Rental Reimbursement Coverage may be purchased for any vehicle covered by Comprehensive and Collision coverages. Mileage charges not covered.

Limits available:
\$20 per day with a maximum of \$600
\$30 per day with a maximum of \$900

NAMED NON-OWNER POLICIES

Liability coverage is available for operators while driving non-owned private passenger vehicles. This does not cover vehicles owned by resident relatives or if the insured operates a vehicle for commercial purposes. Non-owner policies provide stated limits of liability protection (BI/PD, Uninsured Motorists) for the named insured while driving a non-owned auto.

The named insured can be only one individual and coverage is provided only for the named individual while operating vehicles eligible for coverage under the Private Passenger Auto Policy that are not owned by the named insured or any resident relative. Coverage is not provided for any person other than the individual named insured, such as spouses, family or household members, etc. A separate policy is required for each individual.

Physical damage coverage for non-owner policies is not available.



Discounts and Surcharges

DISCOUNT PROOF

If acceptable proof of eligibility for discounts is not available when the application is completed, quote the policy and collect the down payment based on the undiscounted premium.

Supporting documentation for any discount required to be maintained in your office must be available upon request.

PERSISTENCY DISCOUNT

The discount is given for Integon National Insurance Company renewal policies having continuous automobile liability insurance coverage for one year and longer, with no claims or late payments. The discount will be available provided the applicant has no more than one alcohol or drug related violation.

DEFENSIVE DRIVING COURSE DISCOUNT

A discount on all coverages will be given to insured's age 55 or older that successfully complete a Mature Driver Improvement course approved by the Department of Motor Vehicles. The discount does not apply or may be discontinued if the insured has had a chargeable accident during the three years following the course completion date. The discount also does not apply if the insured took the course pursuant to a court order. The insured's eligibility for the premium reduction is three years from the date of the completion of the course. The course must be taken every three years to continue eligibility for the insurance discount.

MULTIPLE CAR DISCOUNT

A discount will be given if two or more vehicles are registered to the named insured as an individual and covered on the same policy. The multiple car discount does not apply to trailers and they will not be counted in determining if other vehicles are eligible for the discount.

GOOD DRIVER DISCOUNT

(See California Department of Insurance Regulation 1861.025). A discount will be given on all coverages for drivers that qualify as a Good Driver. To qualify as a good driver:

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.
2. During the previous three years has not:
 - a. Had more than one violation point determined as follows:
 - Count one 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 as defined on page 10. A driver may also be determined to be principally at fault for such accident where the accident was a solo vehicle accident, subject to the exceptions on page 10.
 - 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. Refer to page 10 for a definition of "principally at fault".
3. During the previous ten 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 23175 or 23190 of the Vehicle Code.
 - c. A violation of Section 191.5 or paragraph (3) of subdivision (c) of Section 192 of the Penal Code. Section 3 applies only to violations occurring after January 1, 1996.

In order to qualify for the discount, we require proof (see Chargeable Accidents on page 10.) that no injuries resulted from any accident shown on the application or Motor Vehicle Record.

Business Use Surcharge

A surcharge will be applied to all coverages for vehicles which meet the business/artisan use criteria.

Billing

A variety of competitive low down payment options are available. Please refer to clearsidegeneral.com for details regarding down payments, billing fees, EFT and recurring credit card requirements, installments and due dates.

PAYMENT OPTIONS

We have a variety of payment options from paid in full to installment billing with various down payments. We also have the option of the insured being directly billed by us or having their installment payment automatically withdrawn from their checking account or VISA or MasterCard. When you quote us using our online rating software or a comparative rater, the payment options available for that quote will be displayed.

For renewing policies, the renewal payment bill is mailed prior to policy expiration and is due the effective date of the renewal.

PAYMENT INSTRUCTIONS

Collect the amount due from the applicant for the selected payment option for all new application premiums, deposit into the agency account, and upload the down payment with the application. All premium/cancellation refunds are sent directly to the insured. **No exceptions will be made.** Cancellations for non-payment to the producer cannot be issued.

1. ClearSide will render a bill for any premium due directly to the insured.
2. Renewal payment should be sent directly to ClearSide.
3. Any renewal payment made directly to the agency should be postmarked on the same day it is paid to the agency.
4. Renewal payments must be postmarked or uploaded before expiration to avoid lapses in coverage.

ELECTRONIC FUNDS TRANSFER (EFT)

With EFT the customer's payments are automatically withdrawn from their checking account, savings account or credit card.

PRODUCER ELECTRONIC FUNDS TRANSFER (EFT): Funds are automatically swept from the Producers account the 2nd business day after the policy is uploaded.

POLICYHOLDER ELECTRONIC FUNDS TRANSFER (EFT):

Policyholder EFT is available for several payment options. For new business, just select a payment plan and indicate EFT in the payment section of the application, collect the required down payment, complete the form within the application, upload as usual, and we will draft the first installment on the due date. A billing schedule specifying the amount and date of each withdrawal is printed in the point of sale documents that the broker or agent is required to present to the insured. A revised billing schedule will be sent if there is a policy change that affects premiums.

1. Policies may be converted to an EFT bill plan during the policy term.
2. The renewal payment will automatically be swept on policies set up with EFT.

CREDIT CARD PAYMENTS

Credit cards are also acceptable on installment payments. MasterCard and Visa accepted.

ENDORSEMENT PREMIUM

Additional and return premium endorsements will be divided equally among remaining unbilled installments, unless the policy premium is paid in full.

Outstanding bills will not be revised unless the endorsement is processed at least 15 days before the current billing due date. The insured should always pay the full amount of any outstanding bill.

NON-SUFFICIENT FUNDS (NSF)

If a payment is returned from the banking institution due to non-sufficient funds, the policy will be set to cancel according to state guidelines. To avoid cancellation the insured must remit the original payment plus the NSF Fee prior to the end of the grace period. If the NSF was on the down payment of the policy, coverage will be null and void.

If an insured's check to your agency is returned due to non-sufficient funds please fax the following information to Accounts Receivable at 1-909-243-7150;

1. A copy of the front and the back of the insured's check.
2. A copy of any bank fees incurred as a result of the NSF.

You must notify ClearSide within 15 days of uploading the NSF payment.

PAYMENT ON TIME

Pay the exact amount of the payment on or before the cancel date to keep the policy in full force with no lapse in coverage.

REINSTATEMENT WITH A LAPSE

Pay the exact amount of the payment up to thirty (30) days from the cancel date and the policy will be reinstated with a lapse in coverage between the cancel date and the day after postmark of the payment or date and time submitted. A reinstatement fee will be included in the next payment. A pro-rata credit equal to the number of days the policy lapsed will be applied to the remaining term balance. An SR-22 fee will be charged if applicable.

LATE INSTALLMENT PAYMENTS

A policyholder's installment payment is not considered late when the payment is uploaded on the due date or received by an authorized representative on the due date. If the policy holder mails the payment it must be postmarked the day before the cancel date to avoid a late fee being charged.

RENEWAL PAYMENTS

To renew the policy, the payment for at least the required minimum amount must be postmarked or uploaded by the renewal expiration date. Otherwise, coverage will terminate.

UNDERWRITING / NON-PAYMENT

A pending cancellation for underwriting reasons will not interrupt the billing cycle. If both, underwriting and non-payment cancellations are pending; the policy will not be reinstated unless conditions are satisfied for both.

RETURN PREMIUMS

Unearned premium due to an insured requested cancellation, if any, will be returned to the named insured pro rata. If both, underwriting and non-payment cancellations are pending; the cancellation with the earliest effective date will be used to calculate the cancellation return premium.

REFUND CHECKS

Refund checks due to credit endorsements will be issued 25 days after the endorsement is processed, since a car that is sold is often replaced. This procedure allows the company a chance to process the endorsement for the replacement auto.

Refund checks due to cancellation will be mailed within 25 business days of the cancellation effective date. Refund checks due to overpayment of premium will be mailed within 25 business days after the last payment was received.

RETURNED DOWN PAYMENT

If the applicant's credit card or down payment check is returned or refused by the bank, the application for insurance coverage will automatically be null and void.

RETURNED PAYMENTS ELECTRONIC SWEEP

If a payment was uploaded, the policy will be processed as if the insured's payment was made directly to the company. If the returned payment occurs on the down payment, the policy is cancelled back to inception.

The company must be notified immediately upon receipt of a returned check. A copy of the document should be faxed to 1-909-243-7150 for reimbursement.

RETURNED INSTALLMENT PAYMENT

If the insured's check for an installment payment, deposited by the company, is returned by the bank, the insured will be charged an NSF fee for the returned check and a cancellation notice for non-payment of premium will be issued.

BROKER RETURNED PAYMENTS

Checks that are returned to the company have been presented for payment twice. When your checks are returned to the company:

- The company will contact you to advise that a replacement payment must be delivered to the company within three business days to replace the returned check. A notice with the same information will also be faxed to your office. Failure to comply with these requirements may cause your contract with the company to be terminated.
- The company will not subtract individual policy payments from your commissions to cover returned checks.
- If two checks are returned within six months of each other, or if three checks are returned within 12 months of each other, the company will terminate your contract for non-performance.

ELECTRONIC WITHDRAWAL NOT HONORED

When the company is authorized to electronically withdraw payments from a broker's account, the electronic withdrawal occurs three business days after submission of the transaction(s) to the company. If an electronic withdrawal is not honored:

- You will be contacted by the company and advised that the electronic funds transfer was not honored. You will be required to make replacement payment to the company within three business days.
- The company will not subtract individual policy payments from your commissions to cover dishonored electronic funds transfers.
- If two electronic transfers are not honored within six months of each other, or if three electronic transfers are not honored