Mendota Insurance Company
Value Policy Program

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CUSTOMER SERVICE

All endorsements are to be processed via the **Internet** with a few exceptions which are listed below.

We will bill the insured directly for any additional premium. The insured has 15 days to pay the premium. This billing will charge enough premium to cover up to the next installment billing. If the premium is not paid, the policy will be subject to cancellation. Return premiums will be reflected in the next installment or will be returned if no installments are remaining.

Please notify us of policy endorsements immediately of your notification from the named insured of any midterm increase or decrease in exposure (addition of drivers, vehicles, etc.) to the policy.

The following requests must be submitted to the company via fax and are effective upon receipt:

- Reduction or elimination of coverage that requires a signed form.
- Deletion or exclusion of drivers
- Cancellation of policy – Named insured's signature with written request to cancel is required.
- Physical Damage coverage (Comp., Coll., or UMPD) added mid-term to an existing vehicle.

CLAIMS SERVICE

In the event of an accident, Specialty Auto insureds experience fast, expert service from one of our experienced claims examiners.

CLICK HERE

TO SEE CUSTOMER SERVICE, CLAIM AND SALES MANAGER CONTACT INFORMATION AS WELL AS HOURS OF OPERATION.

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APPLICATION SUBMISSION

UPLOAD PROCEDURES AND BINDING AUTHORITY

- Qualifying risks may be accepted at the time and date on which the application is completed in full, signed and uploaded to the Company along with the required deposit premium paid by the insured.
- There is no binding authority. The application and required payment must be uploaded on the policy effective date.
- We require that you have the insured sign the application and any supplemental forms and retain in your files.
- Effective dates prior to the date the application is uploaded to the company by the producer are not acceptable.
- No paper applications will be accepted. All policies must be uploaded via the company's website.
- When a policy is successfully uploaded, the producer receives immediate confirmation, including a policy number.
- Signed documentation must be kept on file in the producer's office. Documentation must be made available in the event of a claim or company audit.
- The producer's or insured's bank account will be swept no earlier than 3 days later for the amount indicated on the application. Sweep Days are based from day uploaded (by 5:45 pm CST):

Monday	(includes Wednesday - Friday)	3 work days
Thursday	(includes Saturday - Tuesday)	2 work days + Saturday + Sunday

NON-RESIDENT PRODUCERS

Non-resident producer licensing is not available for our Mendota Specialty Auto product in any state.

SEVERE WEATHER BINDING AUTHORITY

No new coverage or increase to existing coverage may be affected on any risk or exposure located in an area for which a hurricane, tornado or other severe weather watch or warning has been posted. ***Normal binding authority will resume after the watch and/or warnings are lifted. Every auto written with physical damage coverage within 72 hours after the warnings are lifted must be inspected to determine if there is existing damage. The inspection and any damage must be indicated on the application.***

DOCUMENTATION RETENTION AND AUDIT REQUIREMENTS

Proper documentation must be maintained in your producer files. Use the following as a guide for documentation retention.

Maintain in Agency Files and available for audit:

- Signed and dated application
- Signed Uninsured Motorists Coverage Rejection Form
- Signed Driver Exclusion Form
- Signed EFT form
- Copy of Vehicle Registration (if available)
- Signed Accident and Comprehensive Loss Detail Form (if required)
- Signed Annual Mileage Verification Form (if required)

Periodic audits will be done on random files by the company. These audits will either be done on-site by company representatives or requested to be sent to the company for documents listed above. Documentation must be sent within 1 business day for requested materials.

MATERIAL MISREPRESENTATION OF RISK

Misrepresentation is insurance fraud! We expect applicants to truthfully and fully complete an application for insurance. If misrepresentation is discovered, we will cancel the policy and collect the additional premium due from inception. A misrepresentation may also prevent recovery under the contract or policy if:

- The misrepresentation, omission, concealment, or incorrect statement is fraudulent or is material either to our accepting the risk or the hazard we assume; or
- If we had known the true facts we would not have issued the policy, would have charged a higher premium, or would not have issued the policy with the same coverage or coverage limits.

POLICY PERIOD

Six (6) or twelve (12) month policy terms are available.

ZIP CODE RATING

Rates are based on zip code. Use the zip code in which the vehicle is principally garaged. P.O. boxes are not acceptable as garaging locations.

VEHICLE SYMBOLS

For rating purposes, every vehicle is assigned the company's own symbol. The company symbol applies to Bodily Injury, Property Damage, Comprehensive and Collision coverage. For Named Non-owner, the company symbol is 666666 and rated at the base model year.

PAYMENT PLANS

Mendota Specialty Auto utilizes a direct bill program. Please submit all payments gross. Do not retain commission.

Installment notices are sent directly to the insured. Please encourage your insured to use EFT for payments or to mail payments to the address provided on the bill. Payments must be received by the due date indicated on the bill. Any payments submitted to you by the insured directly must be uploaded via EFT to Mendota using the Web site at www.mendota-insurance.com.

The following **NEW BUSINESS** payment options are available.

6 MONTH POLICY TERM

Payment Plan	*Down payment Percentage*	*# of Installments*	*Installment %*
Paid-in-Full	100%	N/A	N/A
2 Pay	50%	1	@ 50%
5 Pay	25%	4	@18.75%
6 Pay/ EFT or CC	16.67%	5	4 @ 16.67% & 1 @ 16.65%

12 MONTH POLICY TERM

Payment Plan	*Down payment Percentage*	*# of Installments*	*Installment %*
Paid-in-Full	100%	N/A	N/A
11 Pay	15%	10	@8.5%
12 PAY EFT	12%	11	@8.0%

RENEWALS: 6 Month Policy Term Renewals will be offered the choice of their current pay plan, Paid-in-Full pay plan, or 6 pay plan. The 12 Month Policy Term Renewals will be offered their current pay plan or Paid in Full pay plan.

EFFECT OF POLICY CHANGES ON INSTALLMENTS
Premium adjustments that result from a policy endorsement will bill the insured enough premium to maintain coverage up to the next installment. The remainder of the additional premium will be equally distributed over the remaining installments.

PAYMENT OPTIONS

ELECTRONIC FUNDS TRANSFER (EFT)

Down payments and installments should be made to the company via EFT to the producer or insured's bank account via our website. The insured will be notified as to when the account will be swept for the payment and the amount if it is from their account. The policy can be paid in full or by installments.

CREDIT CARD PAYMENTS

The use of credit cards for payment of policy down payment or installments is available. We accept Visa, MasterCard, Discover and American Express.

FEES

INSTALLMENT SERVICE FEE
A fee will be charged on each installment for those paying on an installment basis based on the following chart:

Direct Bill - $12 per installment for other than EFT; EFT or CC - $6 per installment.

NON-SUFFICIENT FUNDS (NSF) FEE
A $30 Fee will be charged to the insured for each check returned by the bank as NSF.

POLICY FEE
A $42 policy fee for Non-Good Drivers and $33 for Good Drivers will be added to all policies. This fee is not subject to discount and no commission is paid on the Policy Fee. Although the Policy Fee may or may not be spread across all scheduled payments, it remains fully earned and non-refundable as of the inception of the policy term.

FRAUD ASSESSMENT FEE
A $1.76 fee per vehicle will be charged for each vehicle annually ($0.87 semi-annually).

UNACCEPTABLE RISKS- NEW BUSINESS

INELIGIBLE POLICIES:

1. Policy may not be financed through a premium finance company.
2. Vehicles from more than one household may not be listed on a single policy.
3. Policy may not have an Estate, Receivership, Corporation or Partnership as named insured.
4. Policies with more than 3 times as many comprehensive losses than the number of vehicles within the 35 month experience period.
5. Physical Damage only policies. Physical Damage only coverage is allowed on an individual vehicle after the initial New Business policy has been written, and only if it is a multi vehicle policy and at least one other vehicle affords full coverage (liability and physical damage).
6. Stated value physical damage.
7. Policies with more than 5 vehicles.
8. Any policy listing a minor (17 or Under) as the Named Insured. Insurance contracts between a sole person of minority age and a company are not enforceable.

INELIGIBLE OPERATORS:

1. Any operator who does not provide a valid U.S. driver's license.
2. Any operator who has been convicted of insurance fraud.
3. Any operator with violations and accidents totaling more than 10 Driving Record Points**.**

INELIGIBLE VEHICLES:

1. Vehicles used for racing or modified or customized for the purpose of participating in any type of competition: show, speed, sound, timed event, etc.
2. Vehicles with modified suspensions which jump, rock or bounce and/or suspensions modified with lift kits greater than 4 inches.
3. Vehicles equipped for snow plowing.
4. Vehicles manufactured for sale outside of the United States (gray market).
5. Vehicles used for pickup or delivery of goods (including, but not limited to, newspapers, pizza or other food items), limousine or taxi service, any vehicle for hire, emergency service or any commercial use.
6. Vehicles equipped with cooking equipment or bathrooms.
7. Vehicles which are regularly made available to non-listed drivers.
8. Vehicles not titled in California or garaged outside of California for more than two months per year.
9. Vehicles classified as exotic vehicles, hot rods, assembled from kits, rebuilt, substantially modified to change appearance, or performance or structurally altered.
10. Vehicles leased or rented to other operators by the applicant.
11. Flat bed, stake or modified trucks, step vans, panel vans, cutaway vans, motor homes, or converted buses.
12. Vehicles with a load capacity greater than 1 ton or gross vehicle weight greater than 10,000 pounds.
13. Vehicles not found in the company defined symbol pages, except for newly released vehicles from major manufacturers.

ADDITIONAL RESTRICTIONS FOR VEHICLES WITH PHYSICAL DAMAGE COVERAGE:

1. Vehicles with an ACV (Actual Cash Value) over $50,000.

GENERAL

These guidelines will not be applied in any manner which conflicts with the insurance laws or regulations of the state. Regardless of guidelines, a Good Driver Discount policy will be offered to any person who meets the standards of California Insurance Code Section 1861.025.
If the applicant is a California Good Driver and wishes to exclude all non-California Good Drivers in the household from the policy, the application may become acceptable. The Company reserves the right to request additional underwriting information, if necessary, and will determine final risk acceptability.

POLICY ELIGIBILITY

1. There must be a verifiable garaging location for each vehicle. A P.O. Box garaging address is not acceptable.

DRIVER ELIGIBILITY

1. All licensed operators in the household, all other regular operators of the vehicle, permit holders and all residents of the household age 14 and older must be listed on the application.
2. All operators must have a valid domestic license. Full time military personnel and their dependents are not required to obtain a California driver's license.
3. Proof of license status must be submitted if not validated on driver's Motor Vehicle Report.
4. All drivers must be California residents and no driver may live or work in Mexico.

5. Register Domestic Partner (RDP) rating is allowable under the following requirements. Person's fulfilling these requirements will be rated as married.
   a. Persons requesting the RDP Status must be register with the Secretary of State for California
   b. RDP residents must share a common official residence or domicile.
   c. RDP residents must be co-owner, co-renters, or co-lessor.
   d. All RDP family members must be listed on the same policy.
   e. For insured's to be rated as RDP, we may require proof of the above rules. This proof could be a California Driver's License from both operators showing a common household.
   f. No more than two operators are eligible to be rated as RDP on any single policy.
   g. Dependent children and relatives are not eligible.
6. Proof of cohabitation must be submitted for married couples or Registered Domestic Partners for the following situations:
   a. When two operators on a policy do not have common last names.
   b. All policies where there is an excluded spouse or RDP.
   c. All operators that have a married status under our RDP guidelines.

VEHICLE ELIGIBILITY

1. Vehicles must be private passenger vehicles owned by an individual, husband, wife or RDP resident of the same household or jointly by two or more resident relatives.
2. Pickups rated one ton or less, vans and utility type vehicles used only as a private passenger vehicles are also eligible provided such vehicles are not used in the occupation, profession, or business of the insured other than farming/ranching. If the business use consists solely of carrying tools and supplies between the named insured's residence and a job site, an Artisan risk is acceptable if:
   a. the vehicle is individually owned;
   b. the vehicle is operated solely by the named insured and covered family members;
   c. the named insured has no more than one vehicle in this category, and
   d. the vehicle visits no more than three job sites per day, and
   e. the vehicle has no visible signs or business logos.
3. The following are also acceptable business uses:
   a. vehicles used by sales or service representatives, or for consumer oriented direct home sales on a full-time basis (e.g., Avon, Mary Kay, Tupperware);
   b. vehicles used for mail delivery;
   c. vehicles used by real estate or insurance agents, lawyers, doctors, accountants or other professionals visiting multiple locations;
   d. vehicles owned by the insured and used by domestic employees (e.g., maids, chauffeurs);
   e. vehicles used in a business for occasional errands.

DRIVER/VEHICLE ASSIGNMENT

Drivers are assigned by the highest rated licensed operator to the highest rated vehicle. Points are developed for each operator separately.

COVERAGE OPTIONS

Policy Minimums

All private passenger automobile policies are required to have Bodily Injury Liability and Property Damage Liability coverage at the state required minimum limits.

Bodily Injury Liability, Property Damage Liability, Medical Payments, Uninsured Motorists Bodily Injury Liability, Uninsured Motorists Property Damage Liability, Towing and Labor Costs, and Rental Reimbursement Expense limits must be the same on all vehicles on a multi-car.

<u>Bodily Injury Liability (BI</u>)

See limits and deductibles section for available limits.

<u>Property Damage Liability (PD</u>)

Property Damage limits can only be written when BI coverage is afforded.

<u>Uninsured Motorists Bodily Injury Liability (UMBI) Coverage</u>

1. Uninsured Motorists Bodily Injury Liability coverage can only be written on policies providing Bodily Injury and Property Damage Liability coverage.
2. Uninsured Motorists Bodily Injury Liability limits cannot exceed the limits of Bodily Injury Liability.
3. Lower Limits - Uninsured Motorists Bodily Injury Liability can be rejected. Uninsured Motorists Bodily Injury Liability coverage can be selected at limits lower than the Bodily Injury Liability limits if requested.

<u>Uninsured Motorists Property Damage Liability (UMPD) Coverage</u>

1. Uninsured Motorists Property Damage Liability coverage can only be written on policies providing Uninsured Motorists Bodily Injury coverage.
2. Uninsured Motorists Property Damage Liability limit is $3,500.
3. Uninsured Motorists Property Damage Liability can be rejected. Uninsured Motorists Property Damage Liability coverage will be converted to Collision Deductible Waiver on vehicles with Collision coverage.

<u>Comprehensive Coverage (COMP</u>)

Comprehensive coverage must be written with a deductible.

<u>Collision Coverage (COLL</u>)

Collision coverage must be written with a deductible.

<u>Collision Waiver of Deductible (COLWAV</u>)

Collision Waiver of Deductible coverage can only be written on vehicles providing Collision coverage.

Rental Reimbursement (RENT)

Rental Reimbursement Expenses coverage cannot be written without Comprehensive and Collision Coverage.

Towing and Labor Costs Coverage (TOW)

Towing and Labor Costs coverage cannot be written without Comprehensive and Collision Coverage.

Custom Equipment Coverage (CSEQ)

Custom equipment coverage cannot be written without both Comprehensive and Collision coverage.

Coverage Specifications - Custom Parts and Equipment coverage provides physical damage coverage for custom parts or equipment, devices and accessories. This includes any equipment, other than those which are original automobile manufacturer installed, designed for the reproduction of sound, citizens band radio, two-way mobile, telephone or scanning monitoring device, as custom paint, decal, stripe work, or installed equipment which mechanically or structurally changes the auto and results in an increase in performance or change in appearance. Standard equipment factory installed by a vehicle's manufacturer is covered under Comprehensive or Collision coverage.

All items covered under Custom Equipment coverage must be described in the Custom parts and Equipment Coverage Schedule. No coverage will be afforded to items not listed on the application.

All items to be covered under Custom equipment coverage must be permanently installed on the vehicle. Equipment designed to be removed (pullout stereo, nose cover, magnetic antenna, etc.) is not eligible for Custom parts and equipment coverage.

A maximum limit of liability as shown on the Rate Pages may be purchased for equipment.

Electronic Equipment Coverage (ELEQ)

Electronic Equipment coverage cannot be written without both Comprehensive and Collision coverage.

Coverage Specifications – Electronic Equipment coverage provides physical damage coverage for audio, visual or data receiving , transmitting or reproducing devices and accessories. This includes any equipment, other than those which are original manufacturer installed, including but not limited to radios, stereos, tape decks, compact disk systems, MP3 devices, navigation systems, DVD devices, VCR's, telephones, etc.

All items covered under Electronic Equipment coverage must be described in the Electronic Equipment Coverage Schedule. No coverage will be afforded to items not listed on the application.

All items to be covered under Electronic equipment coverage must be permanently installed in the vehicle. Equipment designed to be removed is not eligible for Electronic equipment coverage.

A maximum limit of liability as shown on the Rate Pages may be purchased for electronic equipment.

Value Plus Liability Coverage Endorsement (CA 02)

The Value Plus Liability Coverage Endorsement can only be purchased on policies providing Bodily Injury and Property Damage liability coverage. This endorsement expands liability coverage by providing additional coverage features. The Value Plus Liability Coverage endorsement provides coverage for:

Increases notification time up to 14 days for both additional acquired autos and replacement autos;

Raises the age of a dependent child as a family member from under age 23 to under age 26;

Raises the period which constitutes a regular operator from 24 hours to seven days; within the undisclosed operator definition;

Eliminates the step-down limits feature to state minimum FR limits for other than family members;

Extends the limit of liability for legal liability to the lessor to 100/300/50 (applies to lessor only);

Eliminates the step-down limits feature to state minimum FR limits for any insured involved in DWI or DUI accident.

Value Plus Physical Damage Coverage Endorsement (CA 03)

The Value Plus Physical Damage Coverage Endorsement can only be purchased on policies with vehicles purchasing Comprehensive or Collision coverage. This endorsement expands physical damage coverage by providing additional coverage features. The Value Plus Physical Damage Coverage endorsement provides coverage for:

Increases notification time up to 14 days for both additional acquired autos and replacement autos;

Automatic excess coverage for a non-owned rental vehicle rented for less than 30 days by you or a family member;

Includes up to $1,000 of coverage for either Custom Equipment or Electronic Equipment;

Use of OEM parts on vehicles up to five years old;

Eliminates the deductible on loss to a windshield;

Increases the maximum storage limit to $750 for any one loss;

Eliminates the deductible for a total theft loss if On-Star or other Vehicle Recovery System aids in the recovery of the vehicle.

Limited Mexico Coverage for Collision coverage within 50 miles of the border of the United States.

Named Operator Policy (Non-Owner Coverage) – Endorsement (CA04)

1. Named operator policies provide liability protection (BI/PD, MED, UMBI) for an individual who does not own a vehicle or have access to any personal use vehicles on a regular basis.
2. Coverage is provided for the named insured only. There is no coverage for spouses or permissive users.
3. Named operator policies are not available if the insured operates a vehicle used for business or artisan use.

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LIMITS AND DEDUCTIBLES

Liability Coverage

Bodily Injury (BI) ($000)	Property Damage (PD) ($000)	Medical Payments (MED)	Uninsured Motorists/BI (UMBI) ($000)	Uninsured Motorists/PD (UMPD) ($000)
15/30	5	500	15/30	3.5
25/50	10	1000	25/50	
50/100[1]	15	2000	30/60	
	25	5000		
	50[1]			

Physical Damage Coverage

Comprehensive (Deductible)*	Collision (Deductible)*	Collision Waiver of Deductible (Deductible)*	Custom or Electronic Equipment	Rental Reimbursement Expenses	Towing and Labor
250	250	250	0-100	$20 Per Day	$50 Per Disablement
500	500	500	101-200	$600 Maximum limit	
1000	1000	1000	201-500	$30 Per Day	$75 Per Disablement
1500	1500	1500	501-1000	$900 Maximum limit	
			1001-1500		
			1501-2000		
			2001-2500		
			2501-3000		
			3001-3500		
			3501-4000		
			4001-4500		
			4501-5000		

*Deductible offered may vary by type of vehicle.

POLICY DISCOUNTS

The following discounts vary by coverage and by combination of other policy discounts:

Multi-Car Discount

Two or more vehicles are insured on the policy for at least bodily injury and property damage liability.

Value Policy Discount

a. If the insured choses the Value Policy without the Value Plus Liability Coverage Endorsement, the policy will receive a 1% discount on all Liability Coverages purchased.
b. If the insured choses the Value Policy without the Value Plus Physical Damage Coverage Endorsement, the policy will receive a 4% discount on Comprehensive and Collision coverages.
c. An insured has the option to select either endorsement without the other, or both if they have Comprehensive coverage on one or more vehicles.

[1] Policy must have a qualified Prop. 103 driver.

DRIVER DISCOUNTS

Good Driver Level 1 Discount

A Good Driver Level 1 discount applies if the driver meets the following criteria:

1. Driver has been licensed to drive a motor vehicle for the previous three years.
2. Driver has had, during the previous 36 months, not more than one violation point count as determined by Section 12810 of the California Vehicle code.
3. Driver has not been convicted of driving under the influence of drugs or alcohol during the previous 10 years.
4. Discount applies to excess vehicles, if all rated drivers qualify for the Good Driver Discount.

Mature Driver Discount

Rated operators age 55 and over who have successfully completed a motor vehicle accident prevention course.

1. This course cannot be self-instructed.
2. Such course must be completed within the most recent 36 months certifying successful completion of the course.
3. The discount is applicable for a 36 month period following the course completion date.
4. If proof of successful completion of such course is submitted within 90 days of completion, any premium modification shall become effective as of the completion date of the course.
5. If the certificate of completion is presented within 45 days prior to renewal, the discount shall be effective on the first day of the next renewal.
6. A discount applied during a policy period shall be pro-rated over the term of the policy.
7. The driver must remain violation and at fault accident free.
8. If a policy has multiple vehicles, the discount applies only to the vehicle the operator is assigned.

To continue eligibility for the discount, the rated operator must enroll in and successfully complete the approved driver accident prevention course once every 3 years at the time of the policy renewal.

VEHICLE SURCHARGES

Business/Artisan Use

- Applied to any vehicle classified as business use.

ANNUAL MILEAGE

Applies when the insured vehicle is driven a specific number of miles annually.

1. Provide annual mileage estimate for each vehicle based on information collected at the point of application and/or endorsement.
2. If reasonable estimate cannot be provided use a default of 10,000 miles annually for policies insuring an owned vehicle and 2,000 miles annually for named non-owner policies.
3. If providing estimated annual miles not equal to the default, complete and retain in file the California Annual Miles Verification Form.

DRIVING RECORD POINTS

UNDERWRITING EXPERIENCE PERIOD

1. The experience period used for the determination of driving record points for accidents and violations shall be 35 months preceding the effective date of the new or renewal policy.

2. Mendota will not add Driving Record Points for a violation until a conviction for the violation has been reported or the violation results in immediate revocation of the driver's license. To determine if the accident or violation took place in the chargeable period, use the occurrence date rather than the conviction date.

3. If multiple violations and/or accidents occur on the same day, treat as one occurrence and charge the violation or accident that develops the highest premium.

4. Out of state violations and accidents are chargeable.

ACCIDENTS

1. Driving Record Points shall be assigned for each at fault accident, major violation and minor violation that occurred during the experience period involving the applicant or any other current resident or regular operator, while operating a private passenger auto, commercial vehicle, motorcycle, or recreational vehicle.
2. If the driving under the influence violation is accompanied by any other violations or accidents, even if on the same date, the higher point structure will apply.
3. Forfeitures of bail or nolo contendere pleas shall be treated as convictions in assigning points.
4. Accidents caused by the driver swerving to avoid an object and colliding with another object are considered at-fault.
5. All accidents are assumed to be not-at-fault unless the insurance company has evidence to establish fault.

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DRIVING RECORD POINT ASSIGNMENT

Driving Record Points will be assigned as follows:

Violation Listing			
Type	**Major Offenses**	**1st**	**Each Add'l.**
Major	Homicide or manslaughter involving a motor vehicle	5	5
Major	Felony involving use of a motor vehicle	5	5
Major	Hit and Run or failure to stop at scene of accident	5	5
Major	Driving on the Wrong Side of the Road	5	5
Major	Reckless Driving	5	5
Major	Drag Racing, Speed Contest, Exhibition of Speed	5	5
Major	Elude or disobey police officer	5	5
Major	Driving with a suspended or revoked license	5	5
Major	Driving while under the influence of drugs or alcohol	5	5
Major	Refusing alcohol test (Implied Consent)	5	5
Major	Accidents (At-Fault)	3	5
Major	Accidents (At-Fault) Property Damage with other accidents or violations in the past 35 months.	3	3
Major	Accidents (At-Fault) Property Damage Only* with NO other accidents or violations in the past 35 months. *If the offense is an at-fault accident Property Damage only, the driver is otherwise entitled to the Good Driver Discount Level 1. **Property Damage threshold is $1000.**	5	N/A

Type	**Minor Offenses**	**1st**	**Each Add'l. ***
Minor	Speeding	1	2
Minor	Minor Violations (this includes misc. moving traffic violation i.e. following to close, failure to yield, and other minor violations not already listed above)	1	2
Type	**Miscellaneous**	**1st**	**Each Add'l.**
Other	Not-At-Fault Accident	0	0

* The higher point count for each additional minor offense applies to 2nd and subsequent identical minor offense only (ie, 2+ speeding(s), 2+ Failure to Yield(s), etc), Two different, non-identical minor violations would each receive 1 point only.

ACCIDENTS CONSIDERED NOT-AT-FAULT (Not Chargeable)
No points are assigned for accidents occurring under the following circumstances:

1. The vehicle involved in the accident was legally parked at the time of the accident. If the parked vehicle rolls from the parked position then any such accident is charged to the person who parked the auto.
2. The vehicle involved in the accident was struck in the rear by another vehicle and the applicant was not convicted of a moving traffic violation in connection with this accident.
3. The auto operated by the applicant or any resident operator is struck by a “hit-and-run” vehicle, and the applicant reported the accident to the police within a reasonable amount of time upon discovering the accident.
4. The applicant was not convicted of a moving traffic violation in connection with the accident, and the operator of the other vehicle was convicted of a moving traffic violation.
5. Accidents involving Physical Damage limited to and caused by flying gravel, missiles, falling objects or by contact with animals or fowl.
6. The applicant is not at fault as evidenced by a written statement from the insured establishing facts demonstrating lack of fault which are not rebutted by information in the insured’s file from which the insurer in good faith determines that the insured was substantially at fault.
7. The applicant involved in the accident (a) determined to be 50% or less negligent, or (b) reimbursed for 50% or more of his or her damages by or on behalf of persons involved in the accident.
8. The applicant at the time of the accident was on duty as a paid or volunteer member of any Police or Fire Department, First Aid Squad, or any law enforcement agency.
9. The applicant was in receipt of a traffic citation that was dismissed or nolle prossed.
10. A signed not at fault accident and comprehensive loss detail form has been received by the company.
11. A single-car accident for which the applicant was involved was principally cause by a hazardous condition of which the driver, in the exercise of reasonable care, would not have noticed (for example, “black ice”).

CANCELLATIONS, REINSTATEMENTS, BALANCES & CHANGES

FLAT CANCELLATIONS

Flat cancellations are not permitted after policy inception with the exception of non-sufficient funds down payment checks. Policies with down payment checks returned for insufficient funds will be voided at inception and no coverage provided in accordance with state regulations.

TOTAL LOSS

In the event of a total loss, coverage will be canceled effective one day after the loss if proof of the total loss is submitted. If proof of total loss is not submitted, the policy will be canceled if requested by the named insured. The effective date of such cancellation will be the later of either the postmark or the request date.

CANCELLATIONS REQUESTED BY INSURED

Cancellations requested by the named insured, must be in writing and must include the insured's signature. If requested by the named insured the effective date of the cancellation will be the later of the day received by us or the insured's requested date. If a loss payee is listed on the policy, a 10-day notice of cancellation will be sent to the loss payee. The cancellation date will be effective at the end of the loss payee's notification period.

CALCULATION OF EARNED PREMIUM

Earned premium on canceled policies is calculated based on the reason for policy cancellation. The calculation methods are detailed below:

1. Insured's Request: pro-rata
2. Non-Payment of Premium: pro-rata
3. Company Cancel: pro-rata

REINSTATEMENT OF CANCELLED POLICIES

1. Any policy may be reinstated if premium is received within 30 days of the policy expiration date.
2. If acceptable, the policy will be reinstated the day after postmark, with a lapse in coverage.
3. Use the Electronic Rewrite App, collect the down payment amount and obtain the necessary signatures, to process a reinstatement.
4. The maximum number of reinstatements allowed is two per year.
5. When an installment check is not honored by the bank for any reason on a reinstatement policy, the reinstated policy will be rescinded.

REWRITE OF CANCELLED POLICIES

Any policy which does not qualify for reinstatement must be treated as a new business and a new application submitted.

MID-TERM REINSTATEMENT OF CANCELLED POLICIES

Under certain circumstances, we allow reinstatement of eligible Personal Auto policies after mid-policy period cancellation due to nonpayment of premium. To be eligible for reinstatement, the policy must be within 10 days of the cancellation date and meet a number of additional criteria.

Mendota MAX will indicate when a policy may be eligible for reinstatement, and direct you on how to proceed.

CHECKS NOT HONORED BY THE BANK

New Business: Policies with down payment checks returned for insufficient funds will be voided at inception and no coverage provided.

In-Force Business: Payments returned to the company for non-sufficient funds will be charged a $30.00 NSF fee.

To keep coverage in force, replacement of the dishonored check including any NSF Fee, by certified funds (i.e., money order, cashier check) must be received prior to the cancellation date specified on the notice. If payment is not timely and the policy cancels, the insured must re-apply for a new policy.

If a pending cancellation has been issued on a policy and the check is not honored by the bank, the policy will cancel based on the cancellation effective date of the original cancel notice.

EXCESS AND OUTSTANDING BALANCES

All excess premiums shall be returned to the insured.

CHANGES AND ENDORSEMENTS

1. Premium adjustments as a result of endorsement activity shall be calculated pro rata and will be billed and incorporated into future installments. If all payments have been received, premium adjustments will be billed or credited directly to the insured.

2. All premium adjustments reflect rates and rules in force at time of policy inception.

3. Premium adjustments are made as a result of changes in autos, drivers, and coverage. Adjustments are not made mid-term for attained driver age or the addition or aging of chargeable violations.

RENEWALS

Renewal Offers

The renewal payment must be received prior to the effective date of the renewal. If payment is not received by this date, the policy will expire and no further coverage will be afforded. An Expiration Notice will be mailed confirming that the policy has expired.

Renewal Reinstatements

If the renewal premium is received by the company within 30 days after the expiration date, the policy may be reinstated effective 12:01 a.m. the date after postmark, with a lapse in coverage. A policy that has been expired more than 30 days cannot be reinstated and must be treated as new business. The maximum number of reinstatements allowed is two per year after which the risk will not be reinstated.

Renewal Rating

Policies will be re-rated in accordance with this manual at each renewal.

SUSPENSION OF COVERAGE

Suspension of coverage is not permitted under any situation.

NAMED DRIVER EXCLUSION

1. A specific named driver may be excluded from all coverage provided by a new policy. The named insured must sign the “Named Driver Exclusion” endorsement specified in the state forms list to exclude the specifically named operator(s) from coverage. This exclusion will apply to the new business policy term and all subsequent renewals and may only be superseded by an endorsement request to add the excluded person(s) to the policy as a driver.

2. To exclude a specific named driver during the policy term, submit a properly completed and signed “Named Driver Exclusion” endorsement showing the effective date of the change. An amended declarations page

will be issued. The exclusion endorsement will only be superseded by a request to add the excluded person(s) to the policy as a driver.

3. The following restrictions apply:
   a. We will not write two policies in a household with different limits.
   b. An SR-22 filing will not be made for an excluded driver.
   c. Any residents age 14 and older who are not listed on the policy declarations page as covered must be excluded.

FINANCIAL RESPONSIBILITY FILINGS

SR-22 Filings may be made for any resident operator if required.

Two types of SR-22 Filings are permitted under the statutes in California, a SR-22 and SR-1P.

The Company will issue a SR-26 cancellation upon lapse or expiration of the policy.

The fee for each filing is $15 which is fully earned and non-refundable in the event of policy cancellation.