

PERSONAL AUTOMOBILE MANUAL



TABLE OF CONTENTS

INTRODUCTION	4
Billing	6
Claims	10
UNDERWRITING.....	12
Applications.....	14
Policy Terms.....	14
Territory	14
Named Insureds	14
Joint Ownership	14
Prior Insurance	15
Underwriting Score Group.....	15
DRIVERS.....	16
Named Driver Exclusion Endorsement.....	19
Driver Assignment	19
Class Code.....	19
Violations	20
Accidents	20
COVERAGES	22
Roadside Assistance	24
Glass Coverage.....	24
Extended Transportation/Rental	24
Extended Non-Owned Coverage – Named Person	25
Underinsured Motorist Coverage	25
Uninsured Motorist Coverage	25
Federal Employees Using Autos in Government Business.....	25
Coverage Limits.....	26
Deductibles.....	27
VEHICLES	28
Vehicle Symbols.....	30
Vehicle Usage	31
MISCELLANEOUS PROGRAMS/OPTIONS.....	32
Trailers/Campers	34
Antique Vehicles.....	34
Customized Equipment for Pickups and Vans.....	35



INTRODUCTION



INTRODUCTION

A CFM Primary Home policy is required for CFM Auto. A majority of CFM's Auto Underwriting guidelines and rules described in this manual are integrated into our system. This is intended to aid our licensed agents in making effective and efficient risk selection. It also allows for straight-through processing with signed documents and a down payment. It is our intent to offer available coverages at a fair and reasonable price by carefully underwriting risks.

The agent is a very important part of CFM since he/she will make the first evaluation of a risk to be insured. Each new risk submitted should be personally underwritten by the agent. All agents must know the product they are selling to their insured to ensure that all of the needs of the insured are met at an affordable cost.

Together, we can achieve competitive rates for insureds, increased business and profitable loss experience for agents and CFM. All guidelines set forth in this Agent Manual are subject to final underwriting discretion and may be amended as necessary.

BILLING

A. New Policies:

The first policy payment must be submitted with all new policies. New policies with a balance due resulting from underwriting or rating adjustments in the Home Office will be billed directly from the Company and must be paid to the Company within 30 days of the invoice date to avoid automatic cancellation.

B. Endorsements or Changes:

Additional premium or return premium will be applied to the next policy billing if that billing is within 30 days. For future billings beyond 30 days, the new premium will be billed or refunded to the insured. (Policy billing is done 15 days in advance of the due date. Endorsements made during this period will be added or subtracted to the amount of the original bill and re-billed.) All refunds are sent to the insured, unless otherwise noted on the policy.

C. Cancellations:

- Insured request cancellations require a named insured's signature.
- The Company can cancel within 60 days of the new business effective date for any reason with 60-day notice.
- Non-payment cancellations are sent if payment isn't received by the company on the due date.

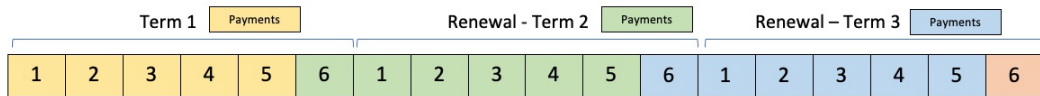
D. Reinstatements

- Available if the policy has been cancelled 1-5 days.
- Available with underwriting approval.
- Statement of no loss is required to be signed by the named insured.
- \$25 reinstatement fee with the down payment is required in order to reinstate.

E. Rewrites

- Available if the policy has been cancelled 6-30 days.
- \$25 rewrite fee with the down payment and any outstanding balance is required when binding.
- New signed application, signature required forms etc. are needed.

F. Equity Based Billing Schedule



G. Equity Date and Lapse Notice:

If the premium payment is not received by the due date, and the policy is at the end of the equity earned, a lapse notice is mailed to the policyholder, agent, and mortgagee or loss payee, if any. There is a 15-day extension period after the due date in which to pay the premium. If the premium is not received in the system by the end of the 15-day extension period, the policy is automatically cancelled.

H. Pay Plans

Billings may be set up as automatic debit, either as EFT (Electronic Funds Transfer) direct withdrawals from an insured's checking account, savings account, or a credit card payment method.

- Direct Bill Paid in Full
- Direct bill 2 pay - half the premium is paid down and the other half in 3 months
- Automatic debit Paid in Full
- Automatic debit 2 pay
- Automatic debit 5(6) pay – 5 pay policy inception, 6 pay on renewal

I. **Credit/Debit Card Payments:**

We accept MasterCard, Discover and Visa. There is no additional charge for the credit card or debit card payments. The usual billing fee will apply. Payments with credit or debit cards may also be made by phone. Insureds also have the option of paying with check or debit/credit card on the CFM Website/app. When paying by credit card, we will need to know the name on the card, the card number, expiration date, security code, and the address where the card is billed.

J. **Fees:**

- Direct Bill Installment fee - \$7
- Automatic Debit Installment fee - \$2
- New Business Policy Fee - \$75
- Renewal Policy Fee - \$75
- Late fee - \$10, charged if payment is made after policy is in legal notice.
- Reinstatement fee - \$25, charged if underwriting agrees to reinstatement 1-5 days after policy has been cancelled for nonpayment. A statement of no loss will be required if reinstatement is approved.
- Rewrite fee - \$25, charged if underwriting agrees to rewrite 6-30 days after policy has been cancelled for non-payment. A statement of no loss will be required if rewrite is approved.
- NSF fee - \$25

K. **Discounts:**

- Paid in full policies receive a 2% discount
- Loyalty Discount – Premiums will be discounted 1% for each year the policy has been insured with CFM, with a maximum of 10 years

L. **Surcharges:**

- Inexperienced Operator drivers with less than two years driving experience.
- Big pick-up trucks with a GVW over 10,000 lbs.

M. Flat Cancellation:

Policies will be flat cancelled for nonpayment at the request of the agent only during the first 30 days after the effective date of the policy.

N. Agent's Statements:

The Agent's Commission statements can be accessed through Guidewire and commissions will be deposited into agent's bank accounts no later than the 5th of the following month. Commission statements will include transactions processed through the last working day of the current month.

O. Timely Submissions to Home Office:

Notification of any coverage bound by the agent is to be received in the Home Office within five days of binding such coverage. This applies to all endorsements, new business, or reinstatements. All forms submitted including credit and loss reports are to be completed in full upon submission. If additional information is requested, the agent must respond promptly. Information not received within ten days may result in the rejection of the application or denial of coverage requested.

P. Rating:

Agents may quote a risk using the Guidewire online quoting system. All rating is subject to underwriter's discretion.

Q. Policyholder Loss Protection Charge: \$75

The policy fee is a flat amount on every policy issued. This fee will be collected in full on the first payment of the billing cycle. It is considered the base charge for all policies no matter the amount of premium. This amount goes directly to policyholders' surplus and does not cover costs for underwriting, claims, and/or inspections. This helps company reserves stay strong regardless of activity and loss experience thus keeping rates competitive for policyholders. This fee is fully earned and will not be refunded or prorated if the policy is cancelled midterm.

CLAIMS

Auto Claims

1. Submit claims through Guidewire and note any information given to the insured about coverage of the loss. Send Loss Report immediately to the Home Office. Do not hold for bills, estimates, etc.
2. If the loss is urgent, CALL HOME OFFICE. The after-hours emergency claims service phone number is (866) 902- 4172.
3. Advise the insured that all theft and vandalism losses must be reported to a law enforcement agency.
4. Questions from insureds regarding claims should be referred to the claims adjuster.



UNDERWRITING



UNDERWRITING

If underwriting approval is required or the quote is rejected, a message will appear in the system. If approval by underwriting is required, the agent must complete the application and submit with any necessary forms and/or pictures. All forms, including the signed application must be maintained in the agent's office. Signature required forms such as EFT, Driver Exclusions, etc. need to be attached into the policy in the CFMGo system. If a quote requires approval, the policy is not bound until it is approved by an underwriter, and then finalized by the agent.

Applications

A completed and signed application must accompany each new risk. The original completed and signed application must be maintained in the agent's office. Any application submitted without disclosing all drivers, loss history, including Other Than Collision (comprehensive) claims and violations may be declined and not considered for reinstatement. Any application submitted without proper monetary consideration will not be considered bound.

Policy Terms

An automobile policy is issued on a six-month term.

Territory

The rating is based on the garaging zip code, which must be in the state of Missouri.

Named Insureds

Named insureds must be:

- 24 years old or married to someone who is; and
- Titled owner(s) of the insured vehicle(s); and
- Have a valid driver's license in the United States for at least two years.

Joint Ownership

- Used when there are multiple owners of an insured vehicle residing in the same household but are not related; or
- Multiple owners of an insured vehicle who do not reside in the same household, but are related by blood, marriage or adoption.
- Endorsement used: PA 1200 Joint Ownership Coverage

Prior Insurance

- At least six months prior insurance coverage with the same carrier is required.
- One year of prior insurance coverage with the same carrier is required if 100,000/300,000 or 250,000/500,000 limits are requested.
- If we are not able to verify prior insurance with the Current Carrier Report, we may require proof attached to the policy prior to binding.

Underwriting Score Group

- The Underwriting Score Group is made up of the insured's Insurance Score which is obtained from Lexis Nexis®.
- This score includes insurance specific information about the named insured and includes certain credit information. It is not directly related to a financial credit score.
- Score groups of 7-20 qualify for 25,000/50,000 and 50,000/100,000 limits.
- Score groups of 14-20 qualify for 100,000/300,000 and 250,000/500,000 limits.



DRIVERS



DRIVERS

- All individuals in the household who are 16 years or older or who regularly drive any of the insured vehicles need to be rated or excluded on the policy.
- Excluded drivers must be listed on the Named Driver Exclusion Endorsement PA 5317 and signed by the named insured(s).
- A spouse of the named insured can only be excluded if they have never been licensed or have surrendered their driver's license due to a medical condition.
- All rated drivers must have a valid driver's license.

Do not submit:

- Persons who use alcohol, drugs or narcotics in excess.
- Persons who have had any alcohol or drug related violations in the past five years.
- Persons who require an SR-22 filing.
- Persons engaged in any illegal or illicit business of any kind.
- Individuals whose records disclose frequent or serious accidents.
- Persons or physically impaired drivers with health problems that make them susceptible to accidents or to serious complications if injured, such as, but not limited to:
 - Neurological disorders
 - Near loss of sight
 - Severe heart condition in the past three years
 - Epilepsy in the past five years
 - Loss of use of hand(s) and/or feet

Drivers listed below will require underwriting approval:

- Drivers who are disabled are required to complete an Acord® Medical Statement.
- Drivers who are undergoing a course of mental or physical treatment.
- Drivers age 76 and over are required to complete an Acord® Medical Statement.
- Drivers age 81 and over are required to complete an Acord® Medical Statement and a physician's statement.
- Drivers who are separated but not legally divorced.

Named Driver Exclusion Endorsement

- A policy can be endorsed to exclude all coverages for damages, expenses or loss that arises from the maintenance or use of any vehicle by a member of the named insured's household who is specifically listed as an excluded driver.
- Endorsement used: PA 5317 - Named Driver Exclusion Endorsement. This form lists all excluded drivers and must be signed by the insured(s).

Driver Assignment

- If more than one rated driver is assigned to a policy the average driver factor will be calculated.
- At the coverage level, all driver related factors are summed for the highest drivers equal to the number of personal autos on the policy, then divide by the number of the personal autos on the policy.
- If a rated driver is added or deleted from the policy, the average driver factor is recalculated.

Class Code

- Determined by the driver's age and gender.
- Used in rating with associated factor.
- Used in determining the average driver factor.

Violations

- No more than one minor violation per driver is allowed on a policy. No major violations are allowed within the past five years. This includes but is not limited to the following violations. Please contact underwriting for approval before issuing the policy.

Minor Violations

- Speeding
- Signs and signals
- Failure to yield
- Following too closely
- Backing

Major Violations

- Driving while in an intoxicated condition or under the influence of narcotic drugs
- Felony involving use of a motor vehicle
- Reinstatement of license due to suspension or revocation for Alcohol or Drug
- Careless and imprudent driving
- Reckless

Accidents

- No At-Fault accidents are allowed in the past three years. At-Fault accidents are accidents that were deemed 50% or more fault assigned to the listed driver.
- No more than two At-Fault or Other than Collision accidents within the past three years per policy.



COVERAGES



Coverages

Roadside Assistance

- Coverage of \$100 per incident is available if the phone number used for Roadside is called at the time of disablement. This is not a pay and reimbursement coverage.
- This service is provided by an outside vendor, Driven Solutions, who contacts authorized service representatives.
- Services included in Roadside Assistance:
 - Towing
 - Battery Jump Start
 - Gas Delivery of up to 2 gallons
 - Flat Tire Change
 - Locksmith service if you lock your keys inside your vehicle
- This coverage is also available on vehicles with liability only.
- This coverage is not available on trailers or antiques.
- Endorsement used: PA 5502 – Roadside Assistance Coverage

Glass Coverage

- If an insured has Comprehensive Coverage, rock chips will be insured. If the glass can be repaired, no deductible applies. If the glass needs replaced, then the deductible will apply.

Extended Transportation/Rental

- All vehicles with Collision and Other Than Collision coverage have \$30/day up to \$900 per occurrence rental coverage included.
- This coverage is only available, if necessary, due to a covered auto accident.
- There is an optional increased extended transportation limit of \$60/day up to \$1800 per occurrence that can be selected per vehicle at an increased charge.
- Not available on trailers or antiques.
- Endorsement used for increased limit: PA 3601- Optional Limits Transportation Expenses Coverage

Extended Non-Owned Coverage – Named Person

- This coverage provides Liability, Medical Payments, and Uninsured Motorist coverage while a named insured is driving non-owned vehicles.
- Must have at least 1 vehicle listed on the policy to qualify.
- Endorsement used: PA1600 – Extended Non-Owned Coverage – Named Person

Underinsured Motorist Coverage

- Must have at least 1 vehicle listed on the policy to qualify.
- Endorsement used: PA 2224 – Underinsured Motorist Coverage

Uninsured Motorist Coverage

- Must have at least 1 vehicle listed on the policy to qualify.
- Endorsement used: PA 2124 – Uninsured Motorist Coverage

Federal Employees Using Autos In Government Business

- This endorsement is used to amend the terms of Part A – Liability Coverage to exclude the government of the United States, or any person while operating a vehicle during the course of his or her employment by the government of the United States, as an insured.
- Endorsement used: PA 4501 – Federal Employees Using Autos In Government Business

Coverage Limits

Bodily Injury Limits – per person/per accident

- 25,000/50,000
- 50,000/100,000
- 100,000/300,000
- 250,000/500,000

Property Damage Limits

- 25,000/50,000
- 50,000/100,000
- 100,000/300,000
- 250,000/500,000

Medical Payments

- 1,000
- 2,000
- 5,000
- 10,000

Uninsured Motorist Bodily Injury

- 25,000/50,000
- 50,000/100,000
- 100,000/300,000
- 250,000/500,000

Underinsured Motorist Bodily Injury

- 50,000/100,000
- 100,000/300,000
- 250,000/500,000

Deductibles

Physical damage coverage is allowed on personal vehicles up to 15 years old. Vehicles 16-20 years old require pictures and underwriting approval. Vehicles over 20 years old may qualify for the Antique program with underwriting approval.

Collision and Other Than Collision deductible options:

- \$250
- \$500
- \$1000
- \$1500
- \$2000
- \$2500

Trailers Collision and Other Than Collision deductible options:

- \$250
- \$500
- \$1000

Antiques Collision and Other Than Collision deductible options:

- \$250
- \$500



VEHICLES

The following meet the conditions of a private passenger vehicle and qualify for full coverage, subject to the specific underwriting limitations listed below.

- A four-wheel motor vehicle of the private passenger, station wagon or jeep type, owned by or leased under contract for a continuous period of at least six months
- A motor vehicle with a pickup, van or other box truck type with a gross vehicle weight of 12,000 lbs or less

Vehicles over 20 years old do not qualify for full coverage and will be insured for Liability coverage only.

Do not submit an application on any of the following vehicles:

- Any vehicle with tracks, crawler treads or more or less than 4 wheels.
- Gray market cars not originally manufactured to meet US standards.
- Vehicles used for pickup/delivery, livery, limousine, or taxi service, or any commercial purposes.
- Emergency vehicles.
- Vehicles equipped or used for snowplowing.
- Restored, custom built, reproduction cars, kit cars or limited production vehicles.
- Motor homes and recreational vehicles.
- Vehicles with non-factory mechanical or structural modifications.
- Race cars, dragsters, hotrods, stock cars and dune buggies.
- Vehicles used in ride sharing program, Uber, Lyft, etc.
- Physical damage coverage on vehicles over 20 years, except Antique program vehicles.
- Vehicles not personally owned by the named insured(s).

Vehicle Symbols

We utilize Risk Analyzer symboling which is an ISO/Verisk product. Symbols for BI, PD, OTC and COLL are used per vehicle. The system will pull the symbol based on the VIN entered which determines if a vehicle qualifies. As a general rule, vehicles that are over \$80,000 cost new will not qualify for Other than Collision or Collision coverage.

Vehicle Usage

- Pleasure Use-No business use of automobile and is not used in the course of driving to or from work.
- Work Use-No business use of the automobile but is used in the course of driving to or from work.
- Business Use-Any vehicle used in the insured's business or occupation and titled to the insured personally, except described below.

Acceptable business usage:

- Sales, service, real estate and insurance representatives.

Not Acceptable business usage:

- Delivery, livery conveyance, taxi services, Uber, Lyft or similar services.
- Business Use-Government Use in the business of the United States by an employee of the Government, shall be considered a private passenger auto only if:
 - It meets the conditions of a private passenger vehicle.
 - Coverage is limited in accordance with the federal employee using autos in government business.
- Non-Business Occupations:
 - Clergymen, except evangelists.
 - County and State Agricultural Extension Personnel.
 - Home Health, Social and Welfare workers.
 - Soil and Wildlife Conservation Commission Personnel.

Vehicles listed below will need underwriting approval before binding:

- Vehicles that are 16 to 20 model years old that are requesting Other than Collision or Collision coverages.
- Pictures of all sides of the vehicle will be required and submitted for review.
- Vehicles that have custom equipment.
- Vehicles over \$125,000 cost new.
- Vehicles held for resale or rental.
- Vehicles with high rollover experience such as, but not limited to: 15 passenger vans, any vehicle equipped with oversized tires, lift kits, roll bars and/or winches.
- Vehicles with a prior salvage title will require approval and photos.
- Electric Vehicles.
- Driverless Vehicles.



MISCELLANEOUS PROGRAMS AND OPTIONS



MISCELLANEOUS PROGRAMS/OPTIONS

Trailers/Campers

- Recreational trailers with a value up to \$75,000 are allowed.
- Utility trailers with a value up to \$50,000 are allowed.
- Recreation and utility trailers must be owned personally by the named insured(s).
- Travel trailers and pull type campers equipped for recreational occupancy and designed to be towed by or carried on a private passenger automobile, pickup or van are allowed.
 - Must be insured for both Other than Collision and Collision coverages.
 - Only available if we are insuring the pulling unit. The liability and medical payment coverages under the pulling unit's policy automatically extend to any trailer designed for this use.
- A trailer or camper used as a permanent residence does not qualify for this program.
- The VIN/Serial number for the unit is required.
- The stated value is required for rating.
- A picture of the trailer/camper may be requested by underwriting.
- Homemade units are not acceptable.
- Trailers used for business purposes are not acceptable.
- Roadside Assistance is not available with a Trailer/Camper.
- Endorsement used: PA 8404 – Trailer and Camper Body Coverage.

Antique Vehicles

- This program includes vehicles that are 20+ years old requesting Collision and Other than Collision coverages.
- Are insured on a stated amount basis only.
- Coverage may be written if the vehicle is used for limited use only, such as parades and shows.
- The vehicle must have historical plates.
- Supporting auto business with physical damage coverage is required
- Endorsement used: PA 7601 – Physical Damage Coverage For Your Auto – Stated Maximum Value.

Customized Equipment for Pickups and Vans

- The customization questionnaire must be completed by the insured and submitted for underwriting approval prior to binding coverage.
- Customization is based on a stated amount requested.
- Custom equipment must be reported to the company in order to be covered.
- No customization is available for special sized or performance tires, rims or wheels. The stated amount must be established, and necessary endorsement added to the policy.
- Endorsement used: PA 9401- Custom Equipment Coverage.

