DRIVE® Insurance

California

Auto Product Guide

NOVEMBER 15, 2019

This product guide provides summary information about our insurance products, but does not supplement or modify the provisions of any insurance policy. Definitions and descriptions within apply to new business policies written on or after the new business effective date. In the event of a conflict between this product guide and any insurance policy, the provisions of the insurance policy shall prevail.
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Jon B. Hall
Senior sales representative

Reference Information

AGENT REFERENCE INFORMATION

ForAgentsOnly.com (FAO)

Use it to:

- quote and sell new policies
- process policy changes and customer payments
- view and print policy documents, ID cards, and declarations pages
- check the status of your customers' claims
- monitor your agency's production, loss reporting numbers, and quality measures
- access your commission statement

Agency Customer Service and Agency Supplies 1-877-776-2436

Customer Service and New Business Documentation fax 1-800-229-1590

Fraud Alert Line 1-888-288-0770

Agent Service email . . . . . driveinsurance@progressiveagent.com

CUSTOMER REFERENCE INFORMATION

Online Service. . . . . .driveinsurance.com

Customers can:

- make payments
- quote policy changes
- report or check the status of a claim
- print policy documents

Automated Customer Service 1-800-300-3693

Customers can:

- pay by phone
- verify last payment received
- check due date of next payment

24-hour toll-free claims reporting 1-800-274-4499

Customer fax 1-800-229-1590

24-hour Emergency Roadside Assistance 1-800-776-2778

ADDRESSES

Correspondence Address*

Drive Insurance
P.O. Box 6807
Cleveland, OH 44101-1807

Overnight Delivery Address

Drive Insurance
6300 Wilson Mills Road—PS
Mayfield Village, OH 44143-2109

*Payments with coupons should be mailed to the address shown on the coupon. Payments without coupons should be mailed to the correspondence address.

Unacceptable Risks

UNDERWRITING AND UNACCEPTABLE RISKS

The Company underwrites all business submitted. Final acceptability is determined after complete review of the application at new business and at renewal in accordance with the Company's current acceptance criteria, which are not unfairly discriminatory and are compliant with applicable law. Quote, application, and policy information may be audited and the Company may request additional information from third party data providers or the customer to verify the accuracy of information provided at any point during the policy tenure.

PRIOR TO POLICY BINDING VERIFICATION

If the Company needs additional information for verification prior to the binding of the policy, the quoting screen will provide reminders labelled "Policy Requirement" or "Policy Verification Required" before the policy is bound or issued. The screen will provide a list of documents that need to be submitted by email to complete the process. The verification process can take additional days to be completed, once all documents are submitted.

UNACCEPTABLE RISKS

The following risks are not acceptable for our Personal Auto Program:

Unacceptable Insureds/Drivers:

- Named insured or any driver who has never been licensed in the U.S. (except for insureds with a valid international driver's license) or has a revoked license, unless he or she is excluded from coverage (see Driver Exclusions on page 11);
- Drivers under the minimum age for state licensing;
- Drivers without a garaging address or with a non-residential garaging address;
- Applicants who have been convicted of insurance fraud;
- Applicants who have committed, or had a policy canceled or nonrenewed by us for, fraud or misrepresentation in connection with an application for insurance or in the presentation or settlement of a claim;
- Applicants who have had a policy canceled or nonrenewed by us because of an unauthorized payment in connection with an application for insurance or a policy;
- Named insured or any driver who has knowingly threatened bodily harm or engaged in menacing behavior toward a Company employee or an authorized agent of the Company; or
- Named insured or any driver who has not provided documentation to verify information on the application or policy.

Unacceptable Vehicles:

- Vehicles with a principal out-of-state garaging location outside of California. "Principally garaged" is defined as at least six months in any given state of location;
- Vehicles without a permanent garaging address or with a non-residential garaging address;
- Vehicles used for:
  - racing;
  - pickup or delivery of goods, including newspapers, pizza or other food items;
  - carrying persons or property for compensation or a fee, including, but not limited to: limousine, taxi, transportation network companies (does not apply if vehicle is rated with Rideshare Use), or other livery services (does not apply to shared expense car pools); transport services for nursery or school children, migrant workers, or hotel/motel guests; or participation in a Personal Vehicle Sharing Program where the insured is profiting from the operation;
  - emergency services; or
  - business use that does not meet the acceptable use standards in Vehicle Use (see page 8).
- Vehicles equipped with:
  - altered suspensions
    "Altered" is defined as homemade, custom-built or modified, and includes lift kits greater than four inches (usually installed on off-road vehicles or street rods).
    Note: Lift kits of four inches or less and/or low riders with hydraulics, kit cars, dune buggies, and bajas registered for street use and equipped for street use (have a windshield, mirrors, taillights and headlights) are acceptable.
  - snowplowing equipment;
  - cooking equipment or bathroom(s), except the Volkswagen Eurovan and Volkswagen Vanagon, unless toilet facilities have been installed;
  - parts and modification for the purpose of increased speed or acceleration as stated in Section 2632.19(b)(4) of the California Insurance Regulations. This includes but is not limited to nitrous oxide systems, three-point harness or racing seats, roll cage and bars, large wings, and low riding aerodynamic body kits; or
  - any equipment considered illegal for operation on California roads or in an unsafe condition as stated in section 2632.19(b)(3) for the California Insurance Regulations.
- Vehicles that exceed a ground-to-frame height limit of 23 inches for private passenger autos, 27 inches for small trucks, and 31 inches for large trucks;
- Pickups, vans or utility vehicles with a load capacity greater than one ton, or with a gross vehicle weight rating (according to the manufacturer's specifications) greater than 12,000 pounds;

Unacceptable Risks (Cont'd)

- Commercial auto types such as step vans and panel vans, parcel delivery vans, cargo cutaway vans, or other vans with cabs separate from the cargo area;
- Vehicles used to transport explosives, chemicals, flammable materials, or more than 500 pounds of supplies or equipment;
- Vehicles with a gross vehicle weight rating (according to the manufacturer's specifications) greater than 12,000 pounds;
- Vehicles leased or rented to other drivers by the applicant;
- Vehicles used while committing a crime;
- Any vehicles that are regularly available to non-listed drivers;
- Vehicles not registered for street use;
- Low-speed vehicles that have a top speed of 55 mph or less;
- Sand rails, go-carts, and Cushman 3&4-wheeled vehicles or similar vehicles;
- Vehicles that are owned or leased by a partnership or corporation, unless;
  - the vehicles are customarily operated by the named insured or a resident relative for pleasure or commuting;
  - all drivers are household residents and are listed on the policy; and
  - no more than three such vehicles are owned or leased by the partnership; and
- Vehicles with expired or invalid registration.

Unacceptable Policies:

- Two or more personal auto insurance policies for same household.

  Exceptions:
  - Children who own their own vehicles;
  - Unrelated residents/roommates; or
  - Policies written prior to August 25, 2016, where five or more vehicles are listed across policies.
- Policies with vehicles garaged at two different addresses and drivers in two different households.

  Exceptions:
  - Student or military risks (e.g., spouse of named insured/unmarried child of insured);
  - Named insured has two different households (e.g., one permanent home and one vacation home);
  - Drivers who live at different addresses but all vehicles are garaged at one place; or
  - Husband/wife in the process of divorce and vehicles are still considered community property.
- Risks with two or more business/artisan-use vehicles (see Vehicle Use Definitions on page 8). Excludes vehicles classified as business use due only to their use by domestic employees, personal assistants, business managers, and/or hired drivers;
- Policies where an eligible-to-be-rated driver* has a permanently revoked license, unless that driver is excluded from coverage (see Driver Exclusions on page 11);
- Named Non-Owner policies with business use;
- Policies on which all vehicles are generally garaged out of state; and
- Policies where any vehicle on the policy is a rental vehicle rented by an insured from a rental car agency.

*The term "eligible-to-be-rated driver" refers to all persons above the legal driving age who are related to and reside with the named insured and any other person who has regular access to a covered vehicle.

Note: Not all provisions listed above apply if all drivers on the policy qualify as good drivers (as defined in California Insurance Code 1861.025) and vehicles insured are private passenger type (as defined in section 660 of the California Insurance Code).

Vehicle Descriptions

VEHICLE DESCRIPTIONS

In our Auto policy, the term "private passenger auto" means a land motor vehicle of the private passenger, pickup body, or cargo van type, designed for operation principally upon public roads, with at least four wheels, and with a gross vehicle weight rating of 12,000 pounds or less according to the manufacturer's specifications. However, the term does not include step-vans, parcel delivery vans, or cargo cutaway vans, or other vans with cabs separate from the cargo area.

Stated amount vehicles are vehicles requiring Physical Damage coverage which:

- do not have a company-assigned symbol;
- are limited production or classic vehicles; or
- are personal autos having more than $5,000 total custom parts or equipment not installed by the original automobile manufacturer (see definition of custom parts or equipment in the Coverages section).

Physical Damage coverage on stated amount vehicles and conversion vehicles provides coverage up to the lesser of actual cash value or the stated amount value specified by the insured.

Photos (including odometer) and copy of valid registration are required. We may require proof of actual cash value (ACV) in the form of a bill of sale or other documents to be submitted with the application.

The following limitations apply:

- Stated amount vehicles cannot have a value exceeding $250,000;
- Stated amount value being assigned to the vehicle is not substantially different than the ACV of the vehicle provided by standard vehicle valuation guides;
- We will not accept underinsured vehicles and will cancel any risk with an ACV that exceeds $250,000. Vehicles with an ACV in excess of $250,000 or classic cars should be quoted and written in appropriate specialty markets.
- High valued classic and collector vehicles such as Ferrari, Rolls-Royce, Bentley, Lamborghini and Aston-Martin are unacceptable if the ACV exceeds $250,000.

Conversion Vehicles are pickups, vans or utility vehicles requiring Physical Damage coverage that have conversion packages or more than $5,000 of custom parts or equipment. To obtain Physical Damage coverage on a conversion vehicle's add-on equipment or conversion package, an itemized list of such equipment must be retained in your agency file. Vehicles covered under this rule require a photograph for binding. The premium for minivans covers all factory-standard and/or dealer-installed equipment. Mini motor homes such as Trans Van and Mini-Winnie are unacceptable in this program.

Grey Market Vehicles are vehicles manufactured outside the United States (usually in Europe) and not intended for sale in the United States. Grey Market vehicles are acceptable and are rated using the same symbol as would be used for a comparable U.S. vehicle. The Grey Market vehicle must be registered in California. Vehicles must be upgraded to meet U.S. emission and safety standards. A copy of the vehicle registration is required prior to upload to verify that the local jurisdiction's department of transportation safety requirements and Environmental Protection Agency emission standards are satisfied. Temporary registrations are not acceptable. Photos may also be requested.

Please note: Drive Insurance does not sell Stated Value or Agreed Value auto policies.

NAMED NON-OWNER POLICY

Named non-owner coverage is available for individuals who do not own an auto and do not have access to any vehicle on a regular basis. Coverage under the policy is limited by the filed Named Non-Owner Coverage Endorsement. Comprehensive and collision coverage are not available. Filings are acceptable (operator only filing). The following limitations apply:

- No member of the named non-owner's household may own or have access to a vehicle on a regular basis.
- Coverage does not apply to vehicles owned by the insured or a household resident.
- Coverage applies only to the person listed on the declarations page and does not extend to household residents.
- This must be the only Drive Insurance policy in the household.
- Named non-owner coverage is not available if the insured operates a vehicle for business (see Vehicle Use Definitions).

Please note: Ensure there is no vehicle registered in the name of the insured and/or there is no other Drive Insurance policy in the same household.

Vehicle Descriptions (Cont'd)

GARAGING ZIP RATING

Vehicles are rated based on the zip code in which the vehicle is principally garaged. The zip must be a residential zip located within California. Proof of garaging must be retained in your agency files when the address on the policy is different from that on the insured's driver's license or mailing address. You will also be prompted to enter a full garaging address for the quoted vehicles when the garaging zip code and mailing zip code do not match. The Company may take steps to confirm the garaging address on a policy when the address cannot be verified or when it does not support other information provided on the application or obtained from third party sources.

Please note: Fictitious zip codes or use of producer's address will be considered misrepresentation on the policy and may impact coverage in the event of a claim.

Vehicle Use Definitions

Acceptable Business/Artisan Use (Surcharge Applies)

BUSINESS USE

Acceptable business use includes, but is not limited to:

- vehicles used by sales or service representatives or for consumer-oriented direct home sales (e.g., Avon, Mary Kay, Tupperware);
- vehicles used by real estate or insurance agents, lawyers, doctors, accountants or other professionals visiting multiple locations;
- vehicles owned by the insured and used by domestic employees (e.g., maids, chauffeurs); and
- vehicles used in a business for occasional errands.

Unacceptable business use includes, but is not limited to:

- pickup or delivery of goods (including but not limited to newspapers, pizza or other food items); limousine or taxi services; and livery conveyance, including not-for-hire livery (see also Unacceptable Risks on page 4);
- vehicles with a load capacity of one ton or greater or gross vehicle weight rating (according to the manufacturer's specifications) greater than 12,000 pounds; and
- vehicles used by drivers enrolled with transportation network companies, including but not limited to Lyft, Uber, Sidecar, etc.

Vehicles owned or leased by a partnership or corporation:

The following are acceptable if all of the following conditions are met:

- the vehicle is ordinarily operated by the named insured or a household resident for pleasure or commuting;
- all operators are household residents and are listed on the policy; and
- no more than four such vehicles are owned or leased by the partnership or corporation.

Corporations or partnerships cannot be listed as a named insured, but may be listed as an additional interest.

ARTISAN USE

Vehicles used to transport tools or other materials by the insured in a trade or business are acceptable if all of the following conditions are met:

- there is only one vehicle in this category on the policy;
- the vehicle is owned or leased by an individual, not a corporation or partnership;
- the vehicle is operated solely by the named insured or other household resident;
- the vehicle is not used to transport explosives, chemicals, flammable materials, or more than 500 pounds of supplies or equipment; and
- the vehicle's load capacity does not exceed one ton, and does not have a gross vehicle weight rating (according to the manufacturer's specifications) greater than 12,000 pounds.

If a risk is not acceptable because of business/artisan use, please contact our Commercial Lines Division at 1-877-776-2436 (press menu option #2).

PLEASURE, COMMUTE, AND FARM USE

Pleasure: vehicles not used for business/commercial purposes or commuting to work or school.

Commute: vehicles used to drive back and forth to work or school.

Farm: vehicles used primarily on a farm, ranch or orchard.

RIDE-SHARING/TNC ENDORSEMENT

Ride-sharing means making a personal vehicle available via the digital network of a transportation network company (TNC) for the transportation of people or delivery of goods. If your customers are considering using their personal vehicle to become a ride-sharing driver, make sure they have the right coverage to protect against the potential risks.

Benefits of the TNC endorsement

- TNCs provide coverage that may not fully meet customers' needs in the event of an accident.
- Ride-sharing activity is excluded from our Personal Auto policy unless our Rideshare Insurance endorsement is purchased. Our Personal Auto policy with our Rideshare Insurance endorsement provides additional coverage to help fill the gaps left by TNC coverage.
- If your customer is logged on to the app, but hasn't accepted a request from a passenger or for a delivery:
  - Most TNCs provide limited coverage.
  - Our Rideshare Insurance endorsement fills most of the coverage gaps between our Personal Auto policy and the TNC policy.
- If your customer accepted a request from a passenger or for a delivery or has a passenger or delivery in the car:
  - The TNC policy may apply, but may have higher deductibles than the Personal Auto policy.
  - Our Rideshare Insurance endorsement fills the gap between the selected Personal Auto deductible and the deductible of the TNC policy.

Vehicle Symbols

We use company-defined vehicle symbols which are automatically generated by your quoting system.

Please ensure that the Vehicle Identification Number (VIN) is correct since symbols will be assigned based on the VIN.

Vehicles 1981 and newer: After you select the vehicle in your quoting system, the first ten digits of the VIN will be shown on the screen. Confirm that this number matches the VIN provided by the applicant to ensure an accurate quote.

1980 and older models, stated amount vehicles, and Named Non-Owner policies: Simply type in the information requested in your quoting system and the correct symbol will automatically be assigned.

Unlisted new models: Complete the information requested in your quoting system. Before leaving the FAO screen, a prompt will appear asking you to call Agency Customer Service (1-877-776-2436). A customer service representative will assist you in manually entering the proper vehicle symbol.

Vehicle Information

GUIDELINES FOR PHOTOS

Photos may be requested for all vehicles purchasing Comprehensive and Collision coverage.

Photo requirements: three recent digital photos, one each from opposite corners of the vehicle and a current photo of the odometer, must be submitted when requested. The vehicle license plate must be visible and should match the vehicle registration documentation. Please retain the photos in your agency files for audit purposes. They may be requested by the underwriting team or may be required in the event of a claim.

Photos are mandatory and must be retained in your agency files for all vehicles under the following conditions:

- All stated amount vehicles;
- Vehicle has prior damage that has not been repaired or has been in multiple accidents;
- Vehicles older than 15 years purchasing Physical Damage coverage; and
- Vehicles with low deductibles ($100 or $250).

Photos may be requested at any time, including point of sale and when endorsements are requested.

Please note: Submission of fictitious photos by a producer or customer will be considered misrepresentation on the policy and is a violation of the producer agreement.

VEHICLE REGISTRATION

All vehicles must have a valid registration and be considered legal to drive in California. Vehicle registration information must be retained on file for all vehicles with Comprehensive and Collision coverage. Failure to list registered owners on the policy (as rated or excluded) or provide a valid registration can result in the removal of Comprehensive and Collision coverage. For newly purchased vehicles, customers have 30 days to update the information.

Please note: Retain photos but do not send to us unless specifically requested by FAO or a Drive Insurance representative.

VEHICLE ANNUAL MILEAGE

In the new business application process for Auto policies, applicants are required to provide an accurate estimate of annual mileage for each vehicle, as well as each vehicle's current odometer reading.

Mileage estimates may be periodically verified with the insured directly. In the event the insured fails to provide the requested information, or if the information provided does not support the requested mileage estimate, Drive may update the listed annual mileage with a reasonable value.

Mileage estimates will only be lowered when acceptable proof supporting the requested mileage is provided.

PHOTOS OF ODOMETER

For all vehicles with mileage below 6,500 annual miles, photos of the odometer must be retained in your agency files as proof that the total miles and age of the vehicle correspond with the annual mileage entered on the policy. Odometer photos should be consistent with the odometer reading entered in the quote. Additionally, the commute/work address of the driver must be retained in your agency files along with the photos of the odometer.

Please note: This information will be audited on a regular basis and independently verified with the insured. Failure to provide information when requested, or any evidence of a producer misrepresenting or not collecting this information from the insured, will qualify as grounds for termination of contract with Drive Insurance and any of the Progressive Group of Insurance Companies.

UNDERWRITING CONSULTATION

All stated amount, conversion vehicles, and vehicles without company assigned symbols require Underwriting consultation prior to binding. When this applies, you'll be notified within FAO and provided with a contact number.

Driver Information

All household residents of eligible driving or permit age must be listed or excluded whether they drive or not.

DRIVER INFORMATION

The term "eligible-to-be-rated driver" refers to all persons above the legal age to drive who are related to and reside with the named insured and any other person who has regular access to a covered vehicle.

Driver/Vehicle Assignment

Your quoting system does this automatically. We do not require you to assign drivers to specific vehicles.

Named Driver Exclusions

While designating a driver as "excluded" may increase the policy premium, the violation and accident history of the excluded driver does not affect premium.

The Company will not pay for any claim arising from an accident or loss that occurs while any vehicle is being driven, with or without the named insured's permission, by any excluded driver.

- You may exclude any driver from the policy except individuals requiring an SR-22 filing (see *Filing Information* on page 12).
- All household members who meet the minimum licensing age must be listed or excluded.
- You cannot exclude drivers from specific vehicles on a policy.
- Individuals who have never been licensed in the U.S., except for insureds with an international license, or who have a revoked license are unacceptable risks and must be excluded.

Driver Removal

An existing 'eligible-to-be-rated-driver' may not be removed from a policy until a signed exclusion form is received by the Company. Proof of alternate insurance, address or certification may be required before any excluded driver can be removed from a policy. Exclusion will be effective on or after the day the exclusion form or proof was received.

Second Named Insured

Two named insureds may be listed on a policy. The second named insured can be designated by entering "yes" in the second named insured field in your quoting system. The designated individual will be shown as second named insured on the declarations page. The second named insured does not have to be the named insured's spouse/domestic partner.

Driver Marital Status

A married driver for rating purposes is a driver who is legally married, or who is deemed married or in a domestic partnership pursuant to state law. This does not include a driver who is legally separated. The spouse must be listed on the policy as an eligible-to-be-rated driver or excluded with proof of marriage to be considered married for the purpose of rating. All drivers not qualifying under the definition above will be rated as single.

Please note: Proof of marriage for an excluded spouse or spouses living separately must be retained in your agency files and may be requested by the Company.

LICENSE STATUS/TYPES

Driver's License

All rated drivers on the policy must have a valid and verifiable driver's license and the information must be provided on the application. All drivers with licenses from U.S. states other than California must obtain a California license or continue to maintain a valid out of state license.

Years Licensed refers to the number of years that a driver has been continuously licensed to drive in the United States or Canada only. Please review the license issue date to confirm if it is a new license.

- For the following licenses/foreign identification cards, you should enter 0 years licensed on the application:
  - Foreign driver's license;
  - A new California driver's license, issued as a result of legislation (AB 60), for a driver who did not have a valid foreign driver's license (FDL) prior to receiving their California license; and
  - Any new license issued as the first license for a driver.
- For customers that had a valid foreign driver's license for at least 18 months prior to receiving their new California license, enter two years licensed on the application. Proof will be required. They will be eligible for the Good Driver Discount 18 months after receiving their new California license.
- For youthful drivers (under the age of 22), verify the issue date on the driver's license and enter actual years licensed on the application. Proof will be required.

Driver Information (Cont'd)

The Company will independently verify the information submitted. This verification process may trigger a request for proof from the customer to determine eligibility for the California Good Driver Discount. Proof documents will include a copy of the current and previous license clearly indicating in English that the customer has at least three years of valid U.S. license experience or 18 months of valid continuous international driving experience.

Documents to be kept in the file include permanent/temporary driver's license (U.S. or foreign). Additionally, for customers claiming prior foreign licensing experience, a copy of the new license and the previous foreign driver's license must be retained.

Years Experienced refers to the number of years of total driving experience that the driver has had and is the total number of years since the driver was *first licensed in any jurisdiction*. For example, if a 40-year-old foreign driver was first licensed to drive abroad at age 18, they would have 22 "Years Experienced" (40-18=22).

Revoked, Suspended, Expired, and Canceled Licenses

- Drivers with a revoked, suspended, expired, or canceled license at any time during the chargeable violation period may be considered for rating but will not qualify for the California Good Driver Discount.
- Drivers with a permanently revoked license are unacceptable risks. The driver must be excluded for us to accept other household residents on the policy.

Foreign and International Driver's Licenses (FDL/IDL)

Foreign drivers that have never been licensed in the U.S. or do not have a valid motor vehicle report are acceptable ONLY if they have a valid and verifiable international driver's license.

Accurate international license information should be entered on the application and a copy of the document must be retained in your agency files. Failure to enter information on the application or provide a copy of a document consistent with the information entered on the policy will be considered an unacceptable risk. This will also be considered material misrepresentation and may result in a denial of a claim.

The "FDL" violation code needs to be indicated in the accident/violation area on your quoting system software if a driver possesses a valid foreign or international driver's license.

Please note: Drive may request a copy of the foreign/international driver's license from the insured for verification. A Matricula Consular ID card is not a valid international driver's license.

Filing Information (SR-22s)

Individuals with a filing cannot be excluded. All vehicles owned by the individual requiring the filing must be listed on the policy.

Filings can be provided for drivers in several U.S. states. Check FAO for available states.

The liability limits must meet statutory limits for the state requiring the filing.

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. If we are unable to verify the driving record of a driver requiring a filing, the policy is subject to cancellation.

Filings may be ordered for the customer on new business or endorsements via FAO.

Filings are not automatically removed by the Company when the MVR indicates they are no longer needed. Deletion of a filing must be requested by you or the insured.

Violations/Accidents

Chargeable Date and Period

- We use the violation occurrence date, not the conviction date, to determine if points are to be charged.
- The chargeable period for violations is the 36 months prior to the effective date of the policy. DWI/DUI violations are retained on the driver's record for 10 years and will automatically prevent the Good Driver Discount from applying during that period.
- At-fault accidents and major class violations will be considered for five years for purposes of determining 5-Year Accident Free Discount eligibility.

Verification

We use LexisNexis' Comprehensive Loss Underwriting Exchange (CLUE) reports and/or Motor Vehicle Reports (MVRs) to verify accidents and violations.

The California Insurance Code and Regulations require accident documentation be obtained and retained for every accident, regardless of fault. Please discuss all not-at-fault accidents with your customer prior to upload. Determine if fault assignments from CLUE report and/or MVR are correct. Also, determine if POS reflects the proper type of accident charge (e.g., at-fault with bodily injury, at-fault with property damage, not-at-fault). Retain all accident fault determination details and documents in your files. Drive will request this information if fault cannot be automatically verified through CLUE.

You can dispute any accident charge returned by POS by using the Dispute button.

Please explain to the applicant the importance of providing full and accurate information to avoid a premium uprate or policy cancellation.

Multiple Violations

When there are multiple point counts arising out of one occurrence on the same day at the same location, only the highest point charge is used. If multiple violations occur at the same time, key all of them in with the same date. The system will determine the highest rated points for that occurrence.

Suspended License (SNC)

If an insured has had a suspended license reinstated at any time within the past three years, it is necessary to input the SNC code on the violation screen along with the reinstatement date. If an insured currently has a suspended license, please select "Suspended" in the Driver License Status field of the quote.

Principally At-fault Determinations

A chargeable bodily injury accident is one in which the driver's actions or omissions were at least 51 percent of the legal cause of the accident, and the accident resulted in bodily injury or death of any person. A chargeable property damage accident is one in which the driver's actions or omissions were at least 51 percent of the legal cause of the accident, and the accident only involved damage to property. In property damage accidents not resulting in death and property damage accidents, the total loss or damage caused by the accident must exceed $1,000.

A driver shall not be considered to be principally at-fault if an accident occurred under any of the following circumstances:

- The vehicle was lawfully parked at the time of the accident. A vehicle rolling from a parked position shall not be considered to be lawfully parked, but shall be considered as in the operation of the last driver;
- The vehicle was struck in the rear by another vehicle, and the driver has not been convicted of a moving traffic violation in connection with the accident;
- The driver was not convicted of a moving traffic violation and the operator of another vehicle involved in the accident was convicted of a moving traffic violation;
- The driver's vehicle was damaged as a result of contact with a vehicle operated by a "hit-and-run" operator of another vehicle and the accident was reported to legal authorities within a reasonable time after the accident;
- The accident resulted from contact with animals, birds, or falling objects;
- The 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);
- The driver was responding to a call of duty as a paid or volunteer member of any police or fire department, first aid squad, or of any law enforcement agency, while performing any other governmental function in a public emergency; and
- The driver was at-fault but the accident is not chargeable under applicable state laws and regulations.

Notwithstanding any information obtained from the CLUE report, the Company provides the driver the opportunity to dispute the principally at-fault chargeability by providing additional documentation that conclusively proves that the driver was not at least 51 percent at fault.

Violations/Accidents (Cont'd)

Not-At-Fault Accidents (NAF)

The Company may require the applicant to provide support of principally at-fault status in certain situations, including: incidents not disclosed by the applicant, incidents not listed on the CLUE report, incidents listed only on the MVR, multiple instances of similar incidents, and incidents where we ask you to choose fault. Acceptable documents providing sufficient details of the loss to determine principally at-fault status include:

- A claims report regarding the loss.
- Police report or court documents.
- Principally at-fault letter or other documentation from that driver's previous insurance company confirming the details of the loss.
- Documentation from the other party's insurance company confirming the details of the loss.
- A declaration from the driver attesting their loss history. This declaration will be made under penalty of perjury, and any fraudulent or material misrepresentations may result in the voiding or cancellation of the policy. The company may ask reasonable follow-up questions.

Please keep all accident fault determination documents in your agency files.

Violation Reporting Accuracy

Customers often do not fully disclose important risk information, including violations, accidents, additional drivers, garaging address, etc. We expect producers to obtain complete information on accidents and violations.

Accident and Violation Dates

Many customers do not remember the exact dates of accidents or violations. Please use the customer's best estimate of the date. If multiple violations occur at the same time, key all of them in with the same date. The system will determine the highest rated points for that occurrence.

Coverages

BI/PD Limits

500 CSL
300 CSL
100 CSL
250/500/100
100/300/100
100/300/50
50/100/50
50/100/25
25/50/25
25/50/10
15/30/10
15/30/5

- All vehicles must have the same BI/PD limits.
- Required with SR-22 filings and on a Named Non-Owner policy.

Rental Reimbursement Limits

$60/day for max of 30 days
$50/day for max of 30 days
$40/day for max of 30 days

- Comprehensive and Collision coverages required.

Uninsured/Underinsured Motorist Bodily Injury

500 CSL
300 CSL
100 CSL
250/500
100/300
50/100
30/60
25/50
15/30

- UM/UIM BI coverage will be issued unless rejection is indicated on the application.
- The UM/UIM BI limits must be equal to the limits of liability for BI unless rejection of higher limits is indicated on the application.
- All vehicles on the policy must have the same UM/UIM BI limits.

Comprehensive and Collision Deductibles

$2,500
$1,000
$500
$250*

- Deductibles can vary on a multi-car policy.

*Low deductibles require photos and may only be available through Customer Service.

Comprehensive Only

- Available on **multi-car policies where at least one vehicle carries Liability coverage.**
- SR-22 filings are allowed.

Pet Injury Coverage

- In the event of a loss covered under Collision or Comprehensive coverage, Pet Injury coverage will pay first-party claims up to $1,000 for veterinary fees incurred as a result of injuries sustained by a dog or cat owned by the named insured or resident relative while riding in an insured vehicle. Pet Injury coverage will also pay $1,000 if the dog or cat dies as a result of a covered loss, less any payment for veterinary fees for the pet, or is inside a covered vehicle when the vehicle is stolen and the pet is not found.
- No deductible applies to this coverage.

Uninsured Motorist Property Damage (UMPD)

$3,500

- UM/UIM BI coverage required.
- UMPD is not available on vehicles with Collision coverage.
- UMPD is not required on all vehicles
- UMPD coverage cannot be written on a Named Non-Owner policy.

Uninsured Motorist Collision Deductible Waiver (CDW)

$2,500	$250
$1,000	$100
$500	

- Collision coverage required.
- CDW limit must match Collision deductible.

Coverages (Cont'd)

Emergency Roadside Assistance

- Emergency Roadside Assistance coverage provides payment for an authorized service representative to provide:
  (1) towing of a covered disabled vehicle to the nearest qualified repair facility or to any facility within 15 miles; and
  (2) labor (up to one hour) on a covered disabled vehicle at the place of disablement, including:
    - battery jump-start
    - flat tire change
    - emergency fuel and fluid delivery*
    - locksmith service*

  when necessary due to a covered emergency.

  * Customer pays only for the cost of the fuel/fluids and keys.
- Limited to three disablements for any single vehicle within a rolling six-month period.

Loan/Lease Payoff Coverage

- Available if there is a leaseholder or lienholder on the vehicle. A lessor or lienholder can only be a financial institution; it cannot be a private individual.
- Provides coverage when a vehicle sustains a total loss or is stolen and not recovered within 30 days.
- **Covers the difference between the actual cash value of the vehicle at the time of loss and the amount owing on the loan or lease.** (Payment will not exceed 25 percent of the actual cash value of the vehicle at the time of loss.)
- Can be purchased on new and used vehicles at any time during the policy period.
- Collision and Comprehensive coverages required.
- Payment will not include unpaid finance, excess mileage, or any other charges or expenses associated with the loan or lease.

Additional Custom Parts or Equipment (ACPE) Coverage

- We automatically cover the first $1,000 of **custom parts or equipment*** on a vehicle with Physical Damage coverage.
- If the added equipment on a vehicle exceeds the $1,000 base, we encourage the insured to purchase Additional Custom Parts or Equipment (ACPE) coverage. We offer this additional coverage **up to a maximum of $4,000 ($5,000 total ACPE coverage including the $1,000 automatically covered**).
- Vehicles with more than $5,000 of custom parts or equipment (requiring more than $4,000 ACPE coverage) are to be rated as stated amount.

* **"Custom parts or equipment"** means equipment, accessories or enhancements, which:

a. are permanently installed or attached; and

b. alter the appearance or performance of a vehicle.

- Coverage will extend to the lesser of actual cash value, declared value or actual cost to repair. The insured is required to maintain and present proof of purchase and proper installation upon request.

Additional Custom Parts or Equipment Amounts over $1,000 Base

Range of Coverages	
$1 - 100	$1,501 - 2,000
$101 - 200	$2,001 - 2,500
$201 - 500	$2,501 - 3,000
$501 - 1,000	$3,001 - 3,500
$1,001 - 1,500	$3,501 - 4,000

Billing and Payment

PAYMENT METHOD

ACP (Automatic Card Payment)—A recurring automatic payment made using the customer's credit or debit card. Prepaid cards do not qualify for recurring automatic payments. The customer must make the initial payment with the same card that will be used for future recurring payments.

EFT—A recurring automatic electronic funds transfer (EFT) from the insured's checking account to the Company.

Direct Invoice—A non-automated payment method that requires a manual bill for each installment. Each installment must be paid individually by the customer.

EFT/Credit Card Recurring Payment—We will notify the customer that funds will be withdrawn automatically at renewal if a recurring payment option is selected. If the customer does not want the funds to be withdrawn, you can remove the recurring payment option permanently or for just the next payment due via FAO, or the customer can make that change at driveinsurance.com.

CREDIT CARD PAYMENTS

Drive Insurance requires that credit or debit card payments are made using only the customer's card information.

Drive issues refunds to the credit or debit card used to make the payment. You may not use an agency credit or debit card to make payments on behalf of the insured.

Please note: Non-transactional accounts cannot be used for EFT or other payments. Common examples of non-transactional accounts include: credit card checks, routing numbers used for wire transfers, paper draft accounts, and mutual fund accounts.

NON-SUFFICIENT FUNDS (NSF) FOR INSURED PAYMENTS

- If our bank returns a customer's payment check due to non-sufficient funds in an account, we will assess a $20 fee to the customer's policy account, and issue a notice of cancellation immediately.
- **To avoid cancellation**, the customer must remit the original payment plus the $20 fee prior to the cancellation date.
- If the NSF was on the initial payment of the policy, the coverage will be null and void.
- Please use the 'Returned Check' processing feature on FAO to process NSF payments to your agency from the insured.

Fees and Discounts/Surcharges

FEES

Fee Type	Amount	Conditions
Anti-Fraud	$0.88	Fee charge is per vehicle, per six-month policy period, to fund the investigation and prosecution of fraudulent automobile insurance claims as per the California Department of Insurance Code, Section 1872.8.
Cancellation	$50	If the customer requests cancellation during the first policy period. Nonpayment to Drive Insurance or your agency is considered to be the customer's request and will incur the fee. The fee does not earn commission and cannot be waived by an agent. The fee will not be charged if the named insured (NI) is moving out of state, the NI is deceased, the NI is entering the military, or an NSF initial payment caused the cancellation.
EFT Installment	$4	For each installment payment made via EFT.
Filing	$20	For each driver requiring a filing; charged only once per policy.
Late	$5	When either the minimum due is not paid or payment is postmarked after the bill due date.
Non-EFT Installment	$8	For each installment payment made via any method other than EFT.
NSF	$20	For any check returned to the Company for non-sufficient funds.

DISCOUNTS AND SURCHARGES

Discount	Requirements
3-Year Clean	An additional discount is applied to drivers who qualify for "good driver" status under Section 1861.025 of the Insurance Code and have no chargeable accidents or violations in the prior 36 months. The discount applies to excess vehicles if all drivers on the policy qualify for the discount.
5-Year Accident Free	An additional discount is applied to drivers who qualify for the 3-Year Clean Discount and are at-fault accident and major violation free in the prior 60 months. The discount applies to excess vehicles if all drivers on the policy qualify for the discount.

DISCOUNTS AND SURCHARGES (CONT'D)

Discount	Requirements
Affinity Partner/Group Programs	To qualify, one or more eligible-to-be-rated drivers must be a member of one of the groups defined below. Documented proof for qualifying groups is required and may be requested at any time. As long as one or more eligible-to-be-rated drivers remains eligible for the program, the group base rates will apply to all vehicles listed on the policy. Only one group program discount can apply to a policy. Eligible-to-be-rated drivers in the following categories are eligible if the qualification criteria are met: 1. Public safety professionals a. Law enforcement: Must be employed as a full-time law enforcement officer at the local, state, or federal level. b. Firefighters: Must be employed as a full-time firefighter for a state or local fire department located within the state of California. Volunteer firefighters are not eligible. c. Paramedics/EMT: Must have a current EMT-B, EMT-I, or EMT-P certificate from the state of California. 2. Educators: Will typically hold a bachelor's degree or higher, be credentialed as a teacher or educational administrator, and hold a "Clear," "Professional Clear," "Life," "Preliminary," "Temporary," or "Emergency" designation, or be employed as a full-time college or university teacher, lecturer, or professor. 3. Medical professionals: Will typically hold a bachelor's degree or higher and be licensed in a medical field. Qualifying occupations include chiropractors, podiatrists, dentists, orthodontists, doctors, surgeons, pharmacists, registered nurses, and veterinarians. 4. Scientists and engineers a. Scientists: Will typically hold a bachelor's degree or higher in one of the following physical sciences: astronomy, biochemistry, biology, botany, chemistry, computer science, cybernetics, geology, geophysics, immunology, information systems, mathematics, meteorology, physics, physiology, planetary systems, or zoology. b. Engineers: Will typically hold a bachelor's degree or higher or be licensed as an engineer in one of the following or any other engineering field: aeronautical, aerospace, architectural, chemical, civil, electrical, gas, mechanical, nuclear, petroleum, or structural. 5. Certified public accountants and actuaries a. Certified public accountants: Will typically hold a bachelor's degree or higher in a business or accounting field. Must hold an active license as a certified public accountant. b. Actuaries: Will typically hold a bachelor's degree or higher in actuarial science, mathematics, or statistics. Must also be credentialed as an Associate of the Casualty Actuarial Society (ACAS), a Fellow of the Casualty Actuarial Society (FCAS), an Associate of the Society of Actuaries (ASA), a Fellow of the Society of Actuaries (FSA), or as a Chartered Enterprise Risk Analyst (CERA). 6. Employees of Progressive Group of Companies
Anti-Theft (recovery device)	Factory and after-market recovery devices and tracking systems such as GM's OnStar system, LoJack®, and Teletrac®.
Good Driver	Applies for each driver qualifying for "good driver" status under Section 1861.025 of the California Insurance Code. Good drivers must be licensed for the past three years and have no more than one DMV violation point during that time. All DUIs will be retained for 10 years for purposes of qualifying for good driver status. The Good Driver Discount will not apply to an excess vehicle on a non-good driver policy.
Good Student	A discount applies to all primary coverages on all vehicles assigned to any driver who is under the age of 23, a full-time student, and in good academic standing. At least one of the following conditions must be met: 1. Must be ranked in upper 20th percentile; 2. Must maintain an overall grade average of at least a B; 3. Must maintain a GPA average of at least 3.0; 4. Must maintain scholastic achievement of Dean's List, Honor Roll, or comparable listing; or 5. Must test in the upper 20th percentile in one of the following standardized tests: PSAT, PACT, SAT, ACT IA test, CA achievement, or TAP. Proof of the student's academic standing will be required, and the discount will be removed if requested proof is not received.

Mobile/Manufactured Home Acceptability

DISCOUNTS AND SURCHARGES (CONT'D)

Discount	Requirements
Mature Driver Improvement	The driver is 55 years old or older and completed a California state-approved Mature Driver Improvement Course (valid proof of course completion must be faxed immediately). The discount is good for three years from the date of course completion but during that time the discount will be canceled if involved in an at-fault accident, or convicted of a moving violation or a traffic-related offense involving alcohol or narcotics.
Multi Car	There is more than one vehicle on the policy.
Multi Policy	The NI and/or spouse has purchased an additional non-auto policy from us; the additional policy may be a Motorcycle, Motor Home, Travel Trailer, Boat/Personal Watercraft, Snowmobile, Home, Renters, Umbrella, or Commercial policy. The discount applies to both new and renewal policies. The discount varies based on the number and type of policies obtained. The additional policy must be in effect and will be verified at point of sale and at renewal. The discount will be removed if the non-auto policy cannot be verified.

Surcharge	Requirements
Business/Artisan Use	The vehicle is used for business/artisan purposes.
Rideshare Use	The vehicle is used for Rideshare or Transportation Network Company (TNC) purposes.
Vehicle History	The vehicle has a title issue, junk or salvage title, or has been severely damaged based on a vehicle history order.

DRIVER LEVEL DISCOUNTS ONLY APPLY TO RATED DRIVERS.

Processing

RATING PLATFORM

The Company only offers its rates through its proprietary quoting and policy binding platform referred to as FAO. Independent agents and brokers must refer to FAO for accurate rates, policy options, and submission of applications.

UPLOAD ONLY

You must upload all Drive Insurance policies through your quoting system.

POINT OF SALE (POS)

MVR, CLUE, and VIN Verification

Use your quoting system's point of sale (POS) feature to order your customers' MVRs, CLUE reports, and to verify their VIN during the quoting process. POS allows you to review all data with your customers to ensure the most accurate quote possible, which reduces uprates and increases customer satisfaction and retention.

MVR Costs

The Company will pay 100 percent of the cost of MVRs that result in the sale of Drive Insurance policies. If less than 70 percent of the MVRs your agency ordered result in sales of Drive Insurance policies, you will be charged 100 percent of the cost of the MVRs for the unsold MVRs. If 70 percent or more of the MVRs your agency ordered result in the sale of Drive Insurance policies, we will cover the full cost of all MVRs.

Outstanding Customer Balance

We will verify whether your customer has an outstanding balance from a previous Drive policy. If so, your customer will have to pay the outstanding balance and make the initial payment before you can upload the application. If we also find that your customer has a record of non-sufficient funds with us, your customer will need to pay the outstanding balance via certified check or money order before you can upload the application. We will make the remit-to-address available on FAO.

Additional Driver Discovery

POS may attempt to determine whether there are additional drivers in your customer's household by ordering a report from LexisNexis. If the report indicates that additional drivers may reside in the household, you should add or exclude the drivers, or send an explanation (via your quoting system notes) as to why the drivers are not being added. Appropriate follow-up for proof of non-residency may be undertaken by Customer Services in cases in which the driver was not added to the policy.

AGENT NEW BUSINESS BINDING

Original applications will be bound as of the effective date on the application if:

1. the application does not include any class of risk or type of insurance not specified in the underwriting requirements;
2. you do not know or have reason to know that the information contained within the application is false, inaccurate or misleading; and
3. as of the requested effective date and time on the application, all of the following requirements have been met:
   - you have received a request for coverage as reflected in the application;
   - the initial payment has been made;
   - a complete quote from you is registered electronically in our quoting systems;
   - any pre-binding verification requests have been completed and accepted; and
   - the application and all applicable documents are complete and made available to the applicant for review and signed by the applicant, including all other documents that must be maintained in your file.

Agents do not have authority to issue policies, endorsements or cancellation notices unless specifically authorized by us in writing to do so.

Processing (Cont'd)

ENDORSEMENTS

Request policy endorsements online at our agency-dedicated website, FAO. Our website is designed to handle your customers' endorsement needs and save you time.

We retain the right to review each endorsement request or submission prior to processing and may require additional information or proof to support the changes requested.

While on FAO, you can also access and print policy documents, including declarations pages, ID cards, bills, and renewal notices.

MID-POLICY PERIOD RESTRICTED COVERAGE ENDORSEMENTS

FAO will generate a question asking you to confirm that there haven't been any recent losses to a vehicle when you are requesting mid-policy period to add Comprehensive, Collision, Rental Reimbursement, or Roadside Assistance, or to lower Comprehensive or Collision deductibles. You will need to confirm this information prior to agreeing to complete the policy change with an effective date the same as the date of the request.

This requirement may be waived in the following situations:

1. The endorsement is requested by the lienholder of the vehicle.
2. The endorsement is associated with a new vehicle being added to the policy, either as an additional vehicle or as a replacement for an existing vehicle.

In certain situations, the system may also prompt you to collect photos of the vehicle prior to processing the endorsement. Please retain these photos in your file.

SUBMITTED OR RETAINED DOCUMENTS

The following transactions must be faxed or emailed:

- agent or broker of record changes (fax this prior to policy renewal—we do not make these changes mid-policy period);
- proof documents for discounts; and
- signed driver exclusion form when endorsed after policy inception.

See File Maintenance and Audit Requirements, pages 24-25, for proof documents and/or signature forms that need to be retained in your agency files.

SEVERE WEATHER AND NATURAL DISASTER GUIDELINES

During periods of severe weather or during natural disasters, you may be required to call into our customer service group before binding new policies or endorsing additional coverage onto existing policies in certain areas. If required, our service consultants will walk you through the underwriting requirements needed to bind or update the policy.

CANCELLATIONS

Company Cancel—We may cancel only for one or more of the following reasons:

1. nonpayment of the required premium when due;
2. fraud or material misrepresentation affected the policy or insured;
3. a substantial increase in the hazard insured against as defined in Section 2632.19 of the California Insurance Regulations; or
4. knowingly threatened bodily harm or engaged in menacing behavior towards a Company employee or an authorized independent agent of the Company.

Flat Cancellations—Not permitted after policy inception.

Customer Request—If we cancel a policy due to customer request or nonpayment of premium, we will calculate any refund due on a daily pro rata basis. A $50 cancellation fee will also be applied to policies in their first policy period.

Loss Payee—Company mails notice of cancellation unless loss payee submits written release of their copy of the policy.

Duplicate Coverage—Cancellation requests due to duplicate coverage must be accompanied by a copy of the declarations page from the current carrier showing coverage and effective date.

Effective Date/Time—12:01 a.m. on cancellation day.

Installment payments postmarked the day of cancellation will be accepted, and the policy will remain in force.

If the payment is postmarked or uploaded *after* the date of cancellation, we will not reinstate the policy.

NON-SUFFICIENT FUNDS (NSF) FOR AGENCY PAYMENTS

If our bank returns a payment check or upload due to non-sufficient funds in an agency's account, we will assess a $20 returned payment fee to the agency.

RENEWALS

We will send a renewal quote to you and your customer prior to the policy expiration.

The customer should pay the premium directly to the Company by the expiration date (or you can upload through the Automated Policy Services System) to avoid a lapse in coverage.

If the payment is postmarked within 30 days after the expiration date, we will renew the policy with a lapse in coverage one day after the postmark date. If the payment is postmarked more than 30 days after expiration, the policy must be rewritten.

EFT Payment—We will notify the customer that funds will be withdrawn automatically at renewal if an EFT payment option is selected. If the customer does not want the funds to be withdrawn by EFT, you can remove the EFT option permanently or for just the next payment due via FAO; or the customer can make that change at driveinsurance.com.

We will adjust quotes for any additional violations or accidents that occur before the current policy expiration date.

If requesting a change at renewal, the request should be submitted with the renewal coupon or call Customer Service at 1-800-300-3693 (customers) or 1-877-776-2436 (agents).

AGENT CREDIT CARD USAGE

Agent credit card payments on behalf of customers is not permitted at any time. If an agent provides payment for an insured using their card, they are responsible for refunding any returned payments to the customer.

REINSTATEMENTS

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 14 days of the cancel effective date and meet a number of additional criteria. The named insured or the second named insured must call Drive Insurance within the 14-day time period to request the reinstatement.

If the named insured on an eligible policy chooses to reinstate the cancelled policy in lieu of purchasing a new policy, the named insured must provide a written or recorded statement representing that for the time period between the effective date and time of cancellation and the date and time on which reinstatement is requested no motor vehicle accident involving a household member, accident involving a listed vehicle, or damage to a listed vehicle has occurred. No coverage shall be provided for such accidents or damage if the policy is reinstated.

This process does not apply to policies that are nonrenewed due to the customer's failure to make the initial renewal payment. FAO will indicate when a policy may be eligible for reinstatement and let you know how to proceed.

Whether or not the policy is eligible for reinstatement, the customer may opt to have the policy rewritten. In this case, a new application must be submitted and the policy rated and uploaded via your quoting system to obtain coverage. Note that the rate for a rewritten policy might be different from the rate for a reinstated policy, so both options should be presented.

Processing (Cont'd)

FILE MAINTENANCE AND AUDIT REQUIREMENTS

Your quoting system will display a list of required documents. Please obtain all required signatures and documents when you complete a new business application or make policy changes, and retain them in your agency files for the time period specified in FAO under Support > FAQs > Agency Information > Document Retention. Please remember that this is the time period required by the Company; there may be additional document retention obligations for the State of California. To ensure compliance with your state regulations, please check with the Department of Insurance.

According to the Producer's Agreement, signed by both your agency principal and the Company when you become licensed to sell Drive Insurance products, you are responsible for producing all correctly completed signature forms and proof documents upon our request. Should a claim arise and requested documents are not available, an E & O exposure may exist. The Producer's Agreement also contains other information regarding retention of policy documents.

In the event the policy is to be electronically signed by the customer through our e-Signature process, you will be responsible for obtaining all necessary signatures on applicable policy documents and ensuring that the customer completes the process correctly. E & O exposure may exist should the customer fail to complete the e-Signature process. We will archive all e-signed policy documents and make them available to you for viewing or printing via FAO.

Acquired/Transferred Business—If you acquire a policyholder who is currently insured by one of The Progressive Group of Insurance Companies, either through an agent of record change or through the transfer or purchase of another agency's book of business, you must immediately obtain, from the prior agent or agency, all original signed applications (including exclusions and rejections of optional coverage) and all other records relating to that policy. If you are unable to obtain the original records from the prior agent or agency, you must immediately contact the policyholder to have him or her sign new exclusions and/or rejections of optional coverage forms that may be required for his or her policy. Your failure to either obtain the original forms from the prior agent or agency, or to secure newly signed forms from the policyholder where applicable, may result in an E & O exposure for your agency. Such records must be maintained in accordance with the terms of the Producer's Agreement and all applicable state laws. If attempts to obtain records from the prior agent or agency prove unsuccessful, you must obtain signed forms directly from the policyholder.

Routine audits will be performed on random files. You will be required to provide file maintenance documentation to a company representative during an on-site visit or fax audit.

Fax Audits—You will receive a list of required documentation that must be faxed to our office no later than two days after the request. Failure to submit the documentation will result in a failed audit.

DOCUMENTS TO BE RETAINED FOR FILE MAINTENANCE

- Signed and dated application
- Exclusion forms
- EFT form
- Coverage rejection or reduction form
- Stated Amount vehicles—photos and registration
- Excluded Spouses—proof of marriage
- License/Permit/ID—copies of all permits, IDs, and licenses, including out-of-state and international
- Mileage <6,500—photo of odometer and work address. What you keep in the file should be consistent with the annual miles on the policy and the odometer mileage entered at point of sale.
- Disputed at-fault/missing fault accident—proof confirming not-at-fault, police reports, principally at-fault letter or certification
- Physical Damage on vehicles—proof of prior continuous physical damage coverage or photos
- Reinstatements—Statement of No Loss
- Signed applications for any policies written on behalf of your agency, when commissions have been paid (includes rewrites, BORs and policies written by the Company on behalf of the agency)
- Photos for vehicles with a mid-policy restricted coverage endorsement
- Affinity Partner/Group Programs—Proof of group membership
- Proof of Good Student eligibility

Processing (Cont'd)

DOCUMENTS THAT MAY BE REQUESTED DIRECTLY FROM CUSTOMER BY UNDERWRITING DEPARTMENT

- Stated Amount vehicles—photos and registration
- Excluded spouses—proof of marriage
- License/Permit/ID—copies of all permits, IDs, and licenses, including out-of-state and international
- Mileage <6,500—photo of odometer and work address
- Disputed at-fault/missing fault accident—proof confirming not-at-fault, police reports, principally at-fault letter or certification
- Physical Damage on vehicles—proof of prior continuous physical damage coverage or photos
- Verification process—proof of identity, vehicle registration, proof of garaging, photographs of vehicle and odometer to review pre-existing damage
- Removing excluded drivers or not adding drivers discovered—proof of alternate residence or insurance
- Good Driver Discount—copy of license, proof of years experienced if prior experience is from another state or country
- Mature Driver Improvement Course—proof of course completion
- Anti-theft or Recovery Device—proof of installation of device
- Multi Policy Discount—proof of additional policy with Progressive Group
- Affinity Partner/Group Programs—Proof of group membership
- Proof of Good Student eligibility

Please note: This list may not be comprehensive. Anything related to the underwriting of this policy should be retained in your agency files.

List of Acceptable Underwriting Proof Documents

Important note: *If sending proof that contains a Social Security number or Individual Taxpayer Identification Number, please remove or obscure that information prior to sending.*

PROOF OF GARAGING

One of the following documents must be submitted for each unique garaging address. The document must show the primary named insured, secondary named insured, or spouse's name, and complete address matching the name and garaging address on the application. Except where noted, the documents must be dated within the last 60 days.

- Bank statement (excluding credit card statements)
- Current homeowner/renter insurance declarations page (current/active term is acceptable; does not have to be dated within the last 60 days)
- Document from a school or university (current semester for students 21 and younger)
- Lease or rental agreement along with a copy of recent payment
- Mortgage coupon
- Paycheck stub
- Utility bill (a cellphone bill is not acceptable)

IDENTITY VERIFICATION

- Current driver's license issued within the United States
- Current international driver's license
- Government-issued ID (we cannot accept a copy of a military ID card)

VEHICLE REGISTRATION

Please provide a copy of the following for each vehicle on your quote:

- Photo of the current California vehicle registration
- Full copy of the incomplete application for registration issued by the California Department of Motor Vehicles showing that proof of insurance is all that is needed to register the vehicle

VEHICLE PHOTOS

- Recent color pictures that show all four sides of the vehicle, the license plates, and the odometer
- Ensure that pictures submitted do not cut off or obscure any part of the vehicle (i.e., full views of all fenders, vehicle windows, top of vehicle, etc.)
- Pictures must be clear and free of glare or reflections that obscure any view of the vehicle

PROOF OF RESIDENCY FOR ADDITIONAL DISCOVERED DRIVERS

The following are acceptable forms of proof and must be dated within the past 60 days.

- Bank statement (excluding credit card statements)
- Current homeowner/renter insurance declarations page (current/active term is acceptable; does not have to be dated within the last 60 days)
- Document from a school or university (current semester for students 21 and younger)
- Lease or rental agreement along with a copy of recent payment
- Mortgage coupon
- Paycheck stub
- Utility bill (a cellphone bill is not acceptable)

PROOF OF GROUP MEMBERSHIP

If requested, proof must be submitted to the Company. Please send documentation showing current membership in one of the groups as explained below.

Documentation of full-time employment if in the professional fields of:

- Law enforcement or firefighting
- Professional engineers and scientists employed in a physical science or engineering field
- Educators employed as a teacher, lecturer, or professor by an accredited college or university

Documentation of a current license or credential in the professions of:

- Certified EMTs
- Certified public accountants
- Credentialed teachers or educational administrators
- Medical professionals employed in a medical field, such as doctors, nurses, and pharmacists
- Credentialed actuaries holding a professional designation, such as ACAS, FCAS, ASA, FSA, CERA

Employees or customers of other qualifying affinity partners and affiliates must provide current proof matching the name of the rated driver.

All documentation should be current, valid within the state of California, match the name of the rated driver, and clearly indicate they qualify as a member.

Producer Contract Options and Limitations

AGENT CONTRACT

A producer authorized by and on behalf of Progressive West Insurance Company to transact Auto insurance.

Agents are compensated by the Company for the duties performed, are not allowed by state law to charge a fee from a customer, and may represent multiple independent insurance companies.

DUTIES AND RESPONSIBILITIES OF AN AGENT

- Must have an active insurance license and E & O coverage to begin representing the Company.
- Represent Drive Insurance, among other carriers, in all transactions with a customer. They have access to Drive Insurance signage and marketing materials and are eligible to use these materials to market their agency with prior permission from the Company. They may also represent the Company at public events, upon prior, written approval.
- Evaluate and recommend appropriate Drive Insurance coverage options to all customers quoting with their agency, including all leads directed to the agents by the Company.
- Maintain rating accuracy by interviewing the customer and entering all relevant information into the application for submission to the Company for underwriting review.
- Assist the company with the underwriting review by collecting information from the customer and maintaining a file with policy and proof documents for each customer.
- **Immediately report any suspicious activity by an insured, claimant or other producer to their area account sales representative or Drive Insurance Customer Service department.**
- Collect and transmit premium from the customer to the Company. An application or endorsement submitted by an agent will not be considered accepted until the company has reviewed the information submitted, payment has been submitted, and a policy number has been issued. Once accepted, the effective date of the change is calculated from the time a payment was collected by the agent.
- Agree to regular audits and to meet information and file quality standards established by the Company. Failure to meet these standards can lead to suspension or termination.

In addition:

- Agents may be eligible for additional compensation programs for specific duties performed, achieving mutually agreed growth targets, and for managing loss ratios. Consult with your account sales representative for more information.
- Agents may be eligible for marketing support to develop business plans, tools to implement online marketing strategies, and access to non-product-related training programs made available by the Company.

BROKER CONTRACT

A producer that transacts insurance on behalf of a customer or prospect for compensation.

Brokers do not transact insurance on behalf of Progressive West Insurance Company, but can perform limited acts as agreed to in the California Broker's Agreement, which entitles the producer to compensation from the Company.

Brokers are authorized to charge their customers a reasonable fee in excess of the policy premium with the prior consent and authorization of the insured. Brokers must clearly differentiate the fees from the policy initial payment and indicate to the insured that the fees are being charged in compliance with state regulations by the Broker and not the Company.

DUTIES AND RESPONSIBILITIES OF A BROKER

- Must have an active insurance license and a 'bond' on file with the CDI.
- Truthfully and accurately enter information into the application on behalf of the insured/applicant for submission to the Company for underwriting review.
- Collect and immediately transmit premium from the customer to the Company. An application submitted by a broker will not be considered accepted until the Company has reviewed the information submitted, payment has been submitted, and a policy number has been issued.
- Deliver documents with evidence of insurance to the customer once the Company has accepted the application and a policy number and ID cards have been issued.

Producer Contract Options and Limitations (Cont'd)

LIMITATIONS OF A BROKER CONTRACT

- A broker does not have the ability to issue policies, endorsements or cancellation notices on behalf of Progressive West Insurance Company.
- A policy will not be considered bound until the Company **receives** the initial payment from the Broker or customer and not when the Broker **collects** the funds, **AND** all applicable and required signatures are obtained from the insured.
- Brokers have limited access to promotions and compensation programs offered by the Company.
- Brokers are not eligible to use the Drive Insurance brand and any related marketing materials, signage, and use of trademarks and logos that are the property of Progressive West Insurance Company or the Progressive Group of Companies.
- Brokers will not be eligible to receive leads from the Company through the "Find An Agent" search functionality on driveinsurance.com or phone referrals to customers searching for a new agent.
- Brokers will not have access to non-product-related training offered by the Company.
- Applications submitted by brokers may be subject to additional verification for accuracy. The Company reserves the right to perform application accuracy audits to validate information provided by the insured.
- Certain services may not be available through the Drive Insurance Customer Service Center.

PRODUCER BEST PRACTICES

- All producers with access to Drive Insurance systems must be documented and their email addresses must be on file.
- All licensed producers must be added to FAO by completing required background checks and licensing requirements to transact insurance business.
- Information on the agency must be up to date in FAO at all times.
- Maintain a file for each customer written with Drive Insurance. Signed application and all other policy-related proof documents and photos must be available for review when requested by underwriting.
- General Agents (GAs) contracts with other agents are prohibited without the prior written consent of the Company. All producers accessing FAO systems are required to be listed in FAO as producers.
- Any use of the Drive Insurance brand for marketing purposes requires prior written consent of the Company.

Agent File Compliance Requirements:

Drive Insurance will perform a pre-binding verification of new application submissions and may request supporting documentation regarding rating information from the customer.

Routine audits will be performed by Drive Insurance. Upon written, verbal or electronic request, **agents** are required to provide all documentation pertaining to the policy issuance and maintenance to a Company representative during an on-site or remote audit.

Incomplete documentation, inaccurate documentation, or misrepresentation of policy documents will result in a failed compliance audit. Failed compliance audits may result in action up to, and including, termination.

Broker Application (or) State Compliance Requirements:

Drive Insurance will perform a pre-binding verification of new application submissions and may request supporting documentation regarding rating information from the customer. **Brokers** must make consumers aware that a signed application, acceptable proof of identity for each person rated on the policy, copies of registration, and digital photos of all vehicles with Comprehensive and Collision coverage may be requested by the company before a policy can be bound by the Company. Brokers can submit documents on behalf of the customer if authorized by the customer.

Drive Insurance may directly and independently verify with the customer all information submitted in the application by a broker. In case of a discrepancy or a consumer complaint, **brokers** will be required to provide documentation pertaining to the information entered in the application and all signature forms to the company.

As stated in our Broker Agreement, willful submission of false or inaccurate information, misrepresentation of policy documents, or a customer's signature may result in actions up to, and including, termination of the broker contract. Drive Insurance will report all misconduct to the California Department of Insurance.

In order to expedite the pre-binding verification of new applications, **brokers** should utilize an Electronic Signature (E-Signature) delivery method of collecting signatures on all applications for insurance.

Drive Insurance Services

FAO

ForAgentsOnly.com (FAO) provides you with a wealth of time- and effort-saving functionality. You can use the site to quote Personal Auto policies; process endorsements; make payments; view and print up-to-date policy information, ID cards and declarations pages; access referrals from Drive Insurance; check the status of your customers' claims; monitor your production numbers and access commission information; and much more. To register for the password-protected site, go to ForAgentsOnly.com in your Web browser and click on "I Need to Register."

ONLINE ENDORSEMENTS WITH FAO

Please process your endorsements online at FAO. Doing so saves you time otherwise spent on the phone with Drive and your customer. In addition, access and print policy documents, including declarations pages, ID cards, bills, and renewal notices.

AGENCY CLAIMS INFORMATION ON FAO

We know it's important for you to be informed when your customers have claims. That's why Progressive provides your agency with your customers' claims information via FAO. Your FAO claims report is updated frequently and provides several benefits, including fast and easy access to your customers' claims information; the ability to sort your information by policy number, claim number, and date of last activity; and access to details such as the claims summary, payment history, and policyholder's coverage information for each claim.

To access your claims report, log in to FAO, go to the Manage Agency menu, and choose "Claims Activity."

ENHANCED GLASS PROGRAM

Progressive/Safelite

Progressive Claims has partnered with Safelite AutoGlass® to service auto and RV glass claims around the country.

Features:

- Immediate scheduling of repair/replacement (servicing by next business day);
- Mobile service available;
- Broad network of owned and affiliated shops;
- Lifetime warranty;
- Significant discount off retail price; and
- Free windshield repair with deductible waived if Comprehensive coverage is purchased.

THANK YOU FOR CHOOSING TO SELL DRIVE INSURANCE.

Progressive and Drive are registered trademarks.