



California Underwriting Guide



Private Passenger Automobile
Program
2019



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Introduction

Alliance United Insurance Company (referred to hereafter as “Alliance United”, “Company”, “us” or “we”) is a California company serving local auto insurance customers for over fifteen years. We insure individuals and families with a variety of terms and pay plans to fit their Auto Insurance needs. It is our goal to deliver exceptional value to our insurance customers through a portfolio of personal insurance products delivered by independent insurance professionals.

New Business

Submissions

Brokers do not have binding authority for any program underwritten through Alliance United Insurance Company. Acceptance of any payments or representations by the broker to the insured is not binding on Alliance United Insurance Company.

New Business processed via our online system will show an effective date to be the same date and time the new business application was submitted electronically and accepted by our automated underwriting system. New Business submitted manually will show an effective date no earlier than 12:01 A.M. the day following the receipt postmark. The broker is responsible for obtaining all necessary signatures on the application and forwarding funds to Alliance United Insurance Company within 72 hours to avoid possible cancellation of coverage.

To “void” an application, the broker must send an electronic request the same day to Alliance United Insurance Company with an explanation of the reason for the void.

Additional Insured

We provide an Additional Insured Endorsement at no additional charge to protect a third party’s liability interest. This endorsement is not available on named non-owned vehicle policies.

Policy Submission Restriction (Catastrophe)*

Coverage may not be written or submitted in any area where the National Weather Service or any Governmental Agency has issued a “watch” or “warning” of catastrophe or disaster, including but not limited to earthquake, flood, fire, hail, tornadoes, windstorm, tropical storms, and hurricanes. We will notify you when the restriction has been lifted.

*This rule **does not** apply if all drivers on the policy qualify as “Good Drivers”, as defined in California Insurance Code 1861.025 and the vehicles insured are private passenger type, as defined in Section 660 of the California Insurance Code.

Policy Changes

Policy change requests should be submitted online using the Company website. Changes submitted via the website will show an effective date to be the same as the date and time the change was processed online. Changes submitted manually will show an effective date no earlier than 12:01 A.M. the day following the U.S. Post Office postmark date on the envelope containing the change, the day after the fax is received by Alliance United Insurance Company, or the day after the email is received. The following conditions must be met for the requested date to be honored:

- Additional and replacement vehicles may be added to the policy within 30 days from the date of purchase, providing we insure all private passenger vehicles in the household. After 30 days, coverage for additional vehicles will follow the change effective date rules stated above.
- A change in the garaging address must be made within 10 days from the date of the change.
- Requests to delete coverage will not be backdated. The request must be uploaded and / or sent to our office along with the backup documentation within 3 days from the requested date.
- Changes submitted using the Alliance United online system.
 - Brokers are permitted to retain the documents in their office.
 - Brokers are responsible for obtaining all supporting documents and having the insured sign the change request but they will be allowed to retain these documents in their office. No information needs to be sent to Alliance United Insurance Company.
 - Alliance United Insurance Company may from time to time, call the broker and request them to fax us a copy of the change and supporting documentation.

Changes are subject to the same underwriting rules as new business. Please refer to Unacceptable Risks and Vehicle section for acceptability. If a change does not meet our underwriting rules, our Company reserves the right to reject the change and return unbound with no coverage provided. Policy changes may also be referred to as endorsements.

Broker of Record Change

We will only change the broker of record on the 6 or 12 month renewal following the date we receive the request. Broker of record changes must be received in writing and signed by the new broker and the insured. Upon receipt of the broker of record change the new broker will be allowed to service the insured's policy even if we have not change the broker of record in our system.

Billing and Payment

We offer policy terms of 1 month, 3 months, 6 months and 12 months with direct bill (paid in full, installments, and schedules), EFT, or recurring credit card billing options.

Policy Terms

1 and 3 Month Policies

- Both are continuous until cancelled term policies. The declaration page will show the inception date and time.
- Payments received up to 30 days after expiration date may be rewritten with a lapse in coverage for an additional fee, and with underwriting approval.
- Renewal offers are generated and mailed at least 20 days prior to the expiration of each term and coverage will continue until cancelled or non-renewed. We will consider the 6 month anniversaries for rating. Policies may be reviewed and underwritten on annual basis.

6 and 12 Month Policies

- The declaration page will show the inception date and time.
- If payment is not received, an intent-to-cancel for non-pay is generated and mailed after the payment due date. If there is equity in the policy the due date might not be the cancellation date.
- Payments received after the due date but prior to the cancel date will reinstate without a lapse in coverage, and without any late fee.
- Payment received up to 30 days after the cancel date, for an additional fee and with underwriting approval, may be reinstated with lapse or rewritten.
- Renewal offers are generated and mailed at least 20 days prior to the expiration of each term and coverage will continue until cancelled or non-renewed.

Change of Billing Plan(s):

Policies may be changed to a different billing plan upon the next renewal.

- Changing from EFT or Recurring Credit Card to Direct Bill
 - If the insured wants to change from EFT or Recurring Credit to Direct Bill we must receive a payment for the renewal prior to processing the change in billing plan.
 - If we do not receive a payment, the insured's account will be swept.
 - For 1 or 3 month policies the next renewal offer will reflect the change from EFT or Recurring Credit Card to Direct Bill.
- Changing from Direct Bill to EFT or Recurring Credit Card
 - If the insured wants to change from direct bill to EFT OR RECURRING CREDIT CARD we must receive a payment for the renewal prior to processing the change in billing plan.
 - We do allow the EFT or Recurring Credit Card account to be in another person's name; however, the account holder must sign the EFT or Recurring Credit Card agreement.
- Changing from EFT to Recurring Credit Card or Recurring Credit Card to EFT
 - If the insured wants to change from EFT to RECURRING CREDIT CARD or vice versa we must receive a payment for the renewal prior to processing the change in billing plan.

- If we do not receive a payment, the insured's account will be swept or credit card charged.
- We do allow the EFT or Recurring Credit Card account to be in another person's name; however, the account holder must sign the EFT or Recurring Credit Card agreement.

Payments

New Business Down Payment

The broker must remit a down payment or payment in full via insured credit card or electronic sweep from the broker's trust account. We will not sweep the broker's trust account within the first 48 hours after a payment is uploaded.

Payments received after the due date but prior to the cancel date:

- Payments received after the due date but prior to the cancel date will reinstate without a lapse in coverage, and without any late fee.

Payments received after the cancellation date:

- Once a policy cancels for nonpayment, we reinstate with a lapse in coverage or rewrite if the payment is postmarked or uploaded within 30 days from the cancellation date and upon underwriting approval.
- There is no coverage from the cancellation date of the policy until the reinstate with lapse or rewrite effective date.
- The policy will be reinstated with lapse or rewritten at rates in effect when the policy is placed back in force. This offer might only be valid if all outstanding balances are current. A reissue fee will be charged per the fee schedule.
- The policy will go into effect the same date and time as the payment was applied using our online website system to generate an automated rewrite.
- Payments applied online, but not automatically rewritten, or those received via the U.S. Post Office, will become effective 12:01 A.M. the day following the U.S. Post Office postmark date on the envelope containing the payment, or the day after the payment is uploaded or the date received in the mail (if no postmark or metered mail).
- We may rewrite a policy as a short term policy when payments are received after the cancellation date, preserving the original policy expiration date.
- If the payment is postmarked, uploaded or received after 30 days from the cancellation date, the policy must be written as new business with a new application. A new policy fee and SR Filing fee, if applicable, will be charged.

Service Charges

<u>Fee Type</u>	<u>Amount</u>
New Business Policy Fee - Good Driver	\$20.00
New Business Policy Fee - Non-Good Driver	\$25.00
Renewal Billing Fee - Good Driver and Direct Bill	\$12.00
Renewal Billing Fee - Non-Good Driver and Direct Bill	\$15.00
Renewal Billing Fee - Good Driver and EFT/Recurring Credit Card	\$9.60
Renewal Billing Fee - Non-Good Driver and EFT/Recurring Credit Card	\$12.00
Installment Billing Fee - Direct Bill	\$15.00
Installment Billing Fee - Recurring Credit Card Payment Plan	\$12.00
Installment Billing Fee - Recurring Bank Account EFT Payment Plan	\$12.00
SR-22 / SR-1P Filing Fee (initial filing)	\$5.00
Bank Return Fee	\$25.00
Reissue/Reinstate Fee - Good Driver	\$10.40
Reissue/Reinstate Fee - Non-Good Driver	\$13.00
Endorsement Fee - Premium Bearing Endorsements Good Drivers	\$6.40
Endorsement Fee - Premium Bearing Endorsements Non-Good Drivers	\$8.00
Cancellation Fee (Insured Request)	\$0.00
Manual Processing fee	\$5.00
Anti-Fraud Fee (Per Vehicle, Per Year)	\$1.75

- Endorsement Fee applies to:
 - Any premium bearing change requested by the broker / insured except change of address and corrections made by the Company
- Manual Processing and/or Payment Fee applies to:
 - Phone payments
 - Internet credit card payments
 - Change requests submitted via phone, mail or FAX
 - All change requests processed other than those submitted by the broker using the provided web portal
- Installment Billing Fee applies to each installment only, not to initial payment of new or renewal policies.

All fees are fully earned and non-refundable, with the exception of a policy that has been flat cancelled.

Cancellations

If a policy is cancelled the return premium will be calculated on a pro-rata basis, with the exception of flat cancellations. Flat cancellations are allowed after the inception date of the policy only when the down payment check is returned as NSF or proof of duplicate coverage is provided. Alliance United Insurance Company must receive a copy of both the front and back of the NSF check within 30 days.

New Business Cancellations

Alliance United Insurance Company reserves the right to cancel a new business application for underwriting reasons in accordance with the California Insurance Code.

Mid-Term Cancellations

Alliance United Insurance Company may cancel a policy mid-term for the following reasons:

- Non-payment of premium.
- Fraud or material misrepresentation has been made by the insured.
- Substantial increase in hazard insured against, as defined by the California Insurance Code.

The named insured may request the policy to be cancelled at any time during the policy period.

- The cancellation form must be signed and dated by the named insured.
- The cancellation date will be the date received, the date after post mark, date after email or fax. Future cancellation dates will be honored.
- A cancellation may be backdated if proof of duplicate coverage is provided and no claim has occurred.

Non-Renewal

Reasons for policy non-renewal include, but are not limited to:

- Fraud or material misrepresentation has been made by the named insured.
- Substantial increase in hazard insured against, as defined by California Insurance Code.
- When an insured moves to another state, the policy will be non-renewed.
- We will notify the broker and the insured of our intent to non-renew. This notification will also include the reason(s) for our decision.

Underwriting

The Company will underwrite policies for insurance fraud and material misrepresentation at the point of policy submission made by the applicant as an inducement to have the Company issue a new business policy. The Company reserves the right to reject these applications. The following risks are not acceptable in this private passenger automobile program.

Unacceptable Risks and Drivers

1. Drivers with SR filings where Alliance United Insurance Company does not insure all vehicles in the household.*
2. Applicant or any rated driver who does not have either a verifiable motor vehicle report or an official photo identification listing the date of birth.
3. Drivers under the minimum age for state licensing or a valid driver's permit.
4. Applicants who have been convicted of insurance fraud.*
5. Applicants convicted of a felony under motor vehicle code.*
6. Applicants without a permanent residential garaging address.*
7. Applicants who have had a policy cancelled, rescinded, or non-renewed by Alliance United Insurance Company due to fraud, misrepresentation in connection with an application for insurance or in the presentation or settlement of a claim.*
8. Drivers with 3 or more at fault accidents within the last 36 months.
9. Drivers with 2 or more driving under the influence of alcohol / drugs violation convictions within the last 36 months.

*This rule **does not** apply if all drivers on the policy qualify as "Good Drivers", as defined in California Insurance Code 1861.025 and the vehicles insured are private passenger type, as defined in Section 660 of the California Insurance Code.

Unacceptable Risks and Vehicles

1. Vehicles not considered private passenger vehicles such as:
 - a. Pickups, vans, and panel trucks with a load capacity greater than one ton.
 - b. Emergency vehicles, including vehicles used in volunteer fire departments.
 - c. Taxi cabs, limousines, escort vehicles, or buses and all other vehicles used in public livery or haul for hire.
 - d. Recreational Vehicles, RV's, Motor Homes, and Travel Trailers.
 - e. Any all-terrain vehicles, golf carts, tractors or farm equipment, vehicles operated on crawler treads or rails, or vehicles that by design are unable to reach and sustain a maximum speed of at least 55 miles per hour

- f. Vehicles with an incomplete chassis, chassis and cab, utility van or truck or commercial type vehicle not consider a private passenger vehicle.
 - g. Flatbed trucks, stake trucks, dump trucks, cutaway vans, step vans, panel vans and tilt cabs.
 - h. Vehicles equipped for snow plowing.
2. Vehicles equipped with detachable camper bodies that contain cooking and/or sleeping facilities.*
 3. Vehicles with altered suspensions (i.e. lowered vehicles, lifted vehicles greater than 3 inches) or have any modification, which mechanically or structurally alters its performance or appearance.*
 4. Vehicles with a gross vehicle weight in excess of 10,000 pounds.
 5. Vehicles that are NOT motorized.
 6. Vehicles with less than 4 wheels or more than 4 wheels (this does not apply to dual rear wheel trucks 1 ton and under).
 7. Vehicles used for delivery (i.e. Pizza delivery, newspaper delivery, etc.).
 8. Pooled vehicles, such as those available to multiple drivers for business use including sales, farming, or artisan use.*
 9. Vehicles not in safe mechanical condition.*
 10. Vehicles used to carry explosives, chemicals, radioactive materials or flammable substances.*
 11. Vehicles used in speed contests, races, exhibition, or “off road”.*
 12. Vehicles not principally garaged at a residential address.*

*This rule **does not** apply if all drivers on the policy qualify as “Good Drivers”, as defined in California Insurance Code 1861.025 and the vehicles insured are private passenger type, as defined in Section 660 of the California Insurance Code.

Unacceptable Vehicles for Physical Damage Coverage

1. Vehicles with a Cost New (MSRP) over \$80,000.*
2. Vehicles over 20 years old.*
3. Grey Market Vehicles (vehicles not originally manufactured to meet U.S. standards).
4. Homemade, custom built, altered, or “kit” cars.

*This rule **does not** apply if all drivers on the policy qualify as “Good Drivers”, as defined in California Insurance Code 1861.025 and the vehicles insured are private passenger type, as defined in Section 660 of the California Insurance Code.

Vehicle Information

Business and Artisan Use Surcharge

The business / artisan use surcharge applies to all coverage for the vehicle(s) rated for business or artisan use. No more than two vehicles can be rated for business and/or artisan use in the household. The surcharge will apply to any vehicle registered to a business, regardless of use.

Acceptable **Business** use includes, but is not limited to:

1. Vehicles used by sales or service representatives, or for consumer oriented direct home sales (i.e. Avon, Mary Kay, Tupperware);
2. Vehicles used by real estate or insurance agents, lawyers, doctors, accountants, clergy members, or other professionals visiting multiple locations;
3. Vehicles owned by the insured and used by domestic employees (i.e. maids, chauffeurs);
4. Vehicles used in a business for occasional errands;
5. Vehicles registered to a business will receive the Business Use Surcharge.

Acceptable **Artisan** use includes, but is not limited to:

1. 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:
 - a. All vehicles are operated solely by the named insured or other listed drivers;
 - b. Vehicle is not an unacceptable vehicle (please refer to unacceptable vehicle section of guidelines).

Vehicles owned or leased by a partnership or corporation are acceptable provided the following conditions are met:

1. The vehicles are operated by the named insured or a resident relative.
2. All drivers are household members and listed on the policy
3. Corporations or partnerships cannot be listed as a named insured, but may be listed as an “additional insured.”
4. Vehicle is used for personal or commute use or acceptable business or artisan use as noted above.

NOTE: Underwriting may require photos of any vehicle rated for **business** or **artisan** use.

Annual Mileage

The insured estimates the number of miles they will drive in the next 12 months. Annual mileage should be calculated for each vehicle based on the usage of the vehicle.

Rates are based on the mileage estimate provided by the insured per 1861.02 (a)(2) of the California Insurance Code and Title 10, Section 2632.5 of the California Code of Regulations. If the estimate provided could be reasonably assumed as illogical based on vehicle age and other combinations of facts such as commute distance

and commute days, the insured may be asked for additional information to support the estimate with a verbal or written explanation. If the insured does not reply to such an inquiry, the company will use 16,500 annual miles as the default annual mileage to rate the policy.

The company will request from the insured updated mileage estimates every three years prior to the insured's policy renewal. If the insured does not reply to such an inquiry, the company will use the annual mileage from the expiring policy.

Photo Requirements

Photos are preferred on all vehicles requesting physical damage coverage with the following exceptions:

- New or used vehicles that are purchased or leased from a dealer within the last 30 days (a copy of the sales contract must be obtained by the broker), or
- The Alliance United Insurance Company Vehicle Condition Certification form (VCC-1 form) is signed by the applicant.

NOTE: Brokers are responsible for taking two photos showing all sides of the vehicle. Underwriting may require photos to be sent in to the Company.

Salvage Vehicles

Salvage vehicles are acceptable for all coverage. Underwriting may require photos to be sent in to the Company.

Driver Information

All members of the household age 14 and older and any regular drivers of the vehicles(s), whether licensed or not, must be listed on the application and either rated or excluded (whether they drive or not).

All registered owners of the insured vehicles must be listed on the application and either rated or excluded (whether they drive or not).

- If the registered owners are not listed as rated or excluded drivers, Alliance United Insurance Company may reform the policy and add the drivers as excluded drivers back to inception.
- **There is no coverage for excluded drivers.**
- If coverage is desired the insured should request the registered owners to be added as rated drivers.

Years of Experience

Proposition 103 regulations require us to rate based on driving experience. Years of driving experience is the total number of years since the driver was first licensed. Years of driving experience includes both U.S. and international driving experience. No credit is given prior to age 16 unless proof is given.

Named Insured

The Named Insured may be an individual or two persons who reside in the same household. The Second Named Insured does not have to be the Named Insured's spouse. A policy with a minor (17 years old or younger) listed as the Named Insured must be signed by the minor's parent or legal guardian to be legally enforceable.

Foreign and International Driver's Licenses

Foreign and International driving experience is acceptable. Brokers are responsible for collecting a copy of an official photo identification listing the date of birth for all drivers without a verifiable driver's license. Any person who claims that he or she meets the criteria of A Good Driver Policy entirely or partially on a driver's license and driving experience acquired anywhere other than in the United States or Canada is rebuttable presumed to be qualified to purchase a Good Driver Discount policy if he or she has been licensed to drive in the United States or Canada for at least the previous 18 months and meets the criteria of subdivisions (a), (b), and (c) of under Section 1861.025 of the California Insurance Code and Section 2632.13 of the California Code of Regulations for that period.

Marital Status

Legally married couples and registered domestic partners will be rated as married. Proof of marriage/domestic partner status must be secured by the Broker if rated as married and spouse is excluded. Underwriting may require proof of marriage to be submitted to the Company.

Active duty military persons do not have to share a common residence if the separation is for official reasons. Individuals are rated as "single" if they are roommates, siblings, separated, widowed, or divorced.

Acceptable proof includes legal documents showing joint residency including:

- Marriage certificate,
- Joint tax return,
- Birth certificate of child showing insured and / or partner as parents,
- Official document showing excluded partner's name and insured's address such as:
 - Utility bill,
 - Driver license,
 - Mortgage statement,
 - Rental/lease agreement, or
 - Registration of vehicle.
- Registered Domestic Partners – copy of registration.

Filing Information (SR-22)

SR filings are issued in California only. Filings can be issued only for the named insured or immediate family members rated on the policy and residing in the insured's household when we insure all vehicles in the household. Owner's coverage ("U") filings are issued on owner's policies, and operators ("T") for named non-owned vehicle policies. We will issue a SR filing for a California Temporarily license.

An SR-26 will be issued upon cancellation or expiration of the policy. The filing will be reinstated when the policy reinstates or renews.

Students and Military

Coverage is provided for students who:

- Attend school in California.
- Provide the zip code where their car is principally garaged.
- List the name of the school attended and school address on their application.

Coverage is provided for military personnel who:

- Are stationed in California.
- Provide the zip code where their car is principally garaged.
- List the name of their military base, service branch, and military address on their application.

Accidents and Violations

Chargeable Period

In determining Violation and Accident points in accordance with the rules, use only those violations and accidents which have occurrence dates in the last 36 months preceding the effective or renewal date of the policy.

Violation Points

Refer to the driving record of the named insured and each additional driver to determine the violation point charges for each driver. For this purpose, use the California Department of Motor Vehicles public record of traffic violations. Out of state convictions count the same as in state convictions. Determine Rating Points from Driving Record.

- If an accident and a violation conviction or multiple violation convictions occur at the same time, only the one that generates the highest point count will be charged.
- Multiple violation convictions occurring on the same day will be charged separately.
- Points are not combined for drivers; each driver is rated with his/ her own points.
- Violation convictions that occur within the policy period are only chargeable at renewal.

Accident Points

- Points are computed based on accidents that occurred in the most recent 36 months.
- If a chargeable accident and a violation conviction occur at the same time or a single occurrence results in more than 1 violation conviction, charge only for the accident or violation conviction with the highest point value.

- California Code of Regulations 2632.13 mandates that a driver may be considered to be principally at-fault in an accident if the driver's actions or omissions were at least 51% of the proximate cause of the accident, and in an accident not resulting in death, the total loss or damage caused by the accident exceeded \$750 if the accident occurred prior to 12/11/2011 or \$1,000 if the accident occurred 12/11/2011 or after.
- Any chargeable accident will result in point charges if the accident is paid, outstanding, or the driver is deemed to be responsible.
- An accident is considered non-fault if:
 - 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 operator;
 - 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).
 - If the provisions of Insurance Code Section 488.5 apply.
- Acceptable proof of "non-fault" includes any of the following:
 - A copy of the police report or court documents;
 - A letter from their previous carrier regarding the loss;
 - Any other documentation, which proves non-fault, including a written declaration from the driver regarding the loss. This declaration will be made under penalty of perjury, and any fraudulent or material misrepresentation may result in the voiding or cancellation of the policy, and possible criminal prosecution.
- Before making a determination that a driver was principally at-fault (in accordance with CCR 2632.13) for an accident:
 - If we provided insurance coverage at the time of an accident we will conduct an investigation. In conducting an investigation and determining whether the driver is principally at-fault for an accident, we will diligently pursue a thorough, fair and objective investigation and shall maintain records detailing the investigation.
 - If we did not provide coverage at the time of the accident we will:

- (1) Contact any insurer who provided coverage at the time of the accident and confirms its principally at-fault determination as defined in 2632.13 (b); or
- (2) Rely on subscribing loss underwriting exchange carrier data that meets the requirements of 2632.13 (f) (2); or
- (3) The driver confirms and the subsequent insurer records facts sufficient to find that the driver was principally at-fault for the accident as defined in subsection (b); or
- (4) We obtain sufficient information to determine that the driver is principally at-fault for the accident as provided in s 2632.13 (b); or
- (5) We obtain the driver's declaration, under penalty of perjury, attesting to his or her own principally at-fault accident history as provided under subsection (b), which shall be sufficient proof of that accident history in the absence of contrary information from an independent source.

Driver Vehicle Assignment

Policy premium is determined by assigning the highest rated driver to the highest rated vehicle. The second highest rated driver is assigned to the second highest rated vehicle, and so on. Continue assigning drivers to vehicles until all vehicles have been assigned.

- A.** Each driver must be assigned to at least one vehicle.
- B.** Driver ranking rule:
 1. The highest rated driver is defined as the driver with the highest Bodily Injury (BI) factor based on driver record, years of driving experience, and driver class, taking into consideration of Good Driver Discount and Mature Driver Discount.
 2. In the case of drivers with the same BI factor, they will be ranked by Collision (COLL) factor, followed by Comprehensive (COMP) factor, in the same manner as described above.
- C.** Vehicle ranking rule:
 1. The highest rated vehicle is defined as the vehicle with the highest sum of premium estimates for Bodily Injury (BI), Property Damage (PD), Uninsured Motorist Bodily Injury (UMBI), Comprehensive (COMP) and Collision (COLL).
 2. Factors for calculating the premium estimates for BI, PD and UMBI include Base Rate, Frequency Band, Severity Band, Increased Limit, Primary Symbol, Secondary Symbol, Model Year, Annual Mileage, Business Use and Vehicle / Driver Count.
 3. Factors for calculating the premium estimates for COMP and COLL include Base Rate, Frequency Band, Severity Band, Primary Symbol, Secondary Symbol, Model Year, Deductible, Annual Mileage, Business Use, Vehicle / Driver Count, and Named Operator Endorsement.
- D.** If there are more vehicles than drivers, the extra vehicles will be rated using the Excess Vehicle factors.



Coverage Information

Bodily Injury / Property Damage Limits

Bodily injury and property damage coverage is available in the following combinations:

Bodily Injury	\$15,000/\$30,000	\$25,000/\$50,000	\$50,000/\$100,000	\$100,000/\$300,000
Property Damage	\$5,000 or \$10,000	\$25,000	\$25,000 or \$50,000	\$25,000 or \$50,000

- BI / PD limits must be the same on all vehicles of a multi-car policy.
- Liability limits of 50/100 and 100/300 require a U.S. verifiable Driver’s License.

Uninsured Motorist / Underinsured Motorist – Bodily Injury Limits

Bodily Injury	\$15,000/\$30,000	\$25,000/\$50,000	\$30,000/\$60,000
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- UM / UIM limits must be the same on all vehicles of a multi-car policy.
- UM / UIM coverage will be issued unless the rejection form is signed.
- UIM may not be purchased without UM.
- UM limit may not exceed the Bodily Injury limit.

Uninsured Motorist - Property Damage Limit

Property Damage	\$3,500
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- UMPD coverage will be issued unless the rejection form is signed.
- If selected, the UMPD coverage must be written on all vehicles on a multi-car policy.
- UMPD coverage cannot be written on a policy endorsed with Named Non-Owned Vehicle Coverage.
- UMPD cannot be purchased with collision coverage or collision damage waiver endorsement.

Collision Deductible Waiver

When a loss is caused by an uninsured motorist, the collision deductible will be waived if the insured has purchased this option. This coverage is not available with UMPD or without collision coverage.

Medical Payment Limits

Medical Payment	\$1,000	\$2,000	\$5,000
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- Medical Payments limits must be the same on all vehicles of a multi-car policy.
- Limits are available only as excess insurance over any other valid and collectible medical coverage.

Comprehensive and Collision Deductibles

Comprehensive/Collision Deductibles	\$250/\$250	\$500/\$500	\$1,000/\$1,000
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- \$250 deductible is no longer available for new business or changes.
- Comprehensive and collision coverage must be purchased together if a non-good driver policy.
- Per our offered deductible combinations, comprehensive and collision deductibles must match.
- The comprehensive and collision premium for any vehicle includes the loss of or damage to all permanently installed equipment, parts or accessories, which were installed by the original manufacturer of the vehicle or its dealers.

Rental Reimbursement and Towing and Labor Package

Rental Reimbursement coverage reimburses the insured for the lesser of actual daily rental charges or up to the limits shown on the declaration page (\$30/day, 30 day maximum) for each qualified disablement of a covered vehicle. Qualified disablement means a loss covered by the Liability, Comprehensive, or Collision sections of the policy.

Towing and Labor coverage reimburses the insured for the lesser of actual towing charges or \$100 per disablement of a covered vehicle subject to a \$250 maximum every 12 months.

Rental Reimbursement and Towing and Labor Package may be purchased for any vehicle covered by Collision coverage. Mechanical breakdown coverage is not provided.

NOTE: No coverage of any kind extends into Mexico. Advise your client to purchase Mexican insurance if needed.

Named Non-Owned Vehicle Coverage Endorsement

The non-owned vehicle policy endorsement provides liability protection to an individual who does not own a vehicle, nor has access to any personal use vehicle on a regular basis including vehicles owned by household members. The coverage does not apply to any vehicle:

- owned by members in the household in which the named insured resides,
- owned by a relative,
- used for business,
- owned by an employer,
- to which the insured has regular access.

Only BI/PD (15/30/5,000 and 15/30/10,000), UM, and Med Pay coverage is available.

NOTE: A Named Non-Owned supplement disclosure form must be signed by the applicant.

Special Equipment

No special equipment coverage. All applicants must sign a special equipment waiver. The policy language includes a special equipment waiver endorsement declining any coverage to non-factory installed special equipment.

NOTE: No coverage of any kind extends into Mexico. Advise your client to purchase Mexican Insurance if needed.

Discounts

Multiple Car / Multiple Driver Discount

This discount will be given to all vehicles insured on the same policy with factors based on the number of vehicles and drivers on the policy.

Good Driver Discount

A person is qualified to purchase a Good Driver Discount policy if he or she meets the following criteria:

- (a) He or she has been licensed to drive a motor vehicle for the previous three years in any jurisdiction.
- (b) During the previous three years, he or she has not done any of the following:
 - (1) Had more than one violation point count determined as provided by subdivision (a), (b), (c), (d), (e), (g), or (h) of Section 12810 of the Vehicle Code, but subject to the following modifications:
 - (A) For the purposes of this section, the driver of a motor vehicle involved in an accident for which he or she was principally at fault that resulted only in damage to property shall receive one violation point count, in addition to any other violation points that may be imposed for this accident.
 - (B) If, under Section 488 or 488.5, an insurer is prohibited from increasing the premium on a policy on account of a violation, that violation shall not be included in determining the point count of the person.
 - (C) If a violation is required to be reported under Section 1816 of the Vehicle Code, or under Section 784 of the Welfare and Institutions Code, or any other provision requiring the reporting of a violation by a minor, the violation shall be included for the purposes of this section in determining the point count in the same manner as is applicable to adult violations.
 - (2) Had more than one dismissal pursuant to Section 1803.5 of the Vehicle Code that was not made confidential pursuant to Section 1808.7 of the Vehicle Code, in the 36-month period for violations that would have resulted in the imposition of more than one violation point count under paragraph (1) if the complaint had not been dismissed.
 - (3) Was the driver of a motor vehicle involved in an accident that resulted in bodily injury or in the death of any person and was principally at fault. The commissioner shall adopt regulations setting guidelines to be used by insurers for the determination of fault for the purposes of this paragraph and paragraph (1).

(c) During the period commencing on January 1, 1999, or the date 10 years prior to the date of application for the issuance or renewal of the Good Driver Discount policy, whichever is later, and ending on the date of the application for the issuance or renewal of the Good Driver Discount policy, he or she has not been convicted of a violation of Section 23140, 23152, or 23153 of the Vehicle Code, a felony violation of Section 23550 or 23566, or former Section 23175 or, as those sections read on January 1, 1999, of the Vehicle Code, or a violation of Section 191.5 or subdivision (a) of Section 192.5 of the Penal Code.

(d) Any person who claims that he or she meets the criteria of subdivisions (a), (b), and (c) based entirely or partially on a driver's license and driving experience acquired anywhere other than in the United States or Canada is rebuttably presumed to be qualified to purchase a Good Driver Discount policy if he or she has been licensed to drive in the United States or Canada for at least the previous 18 months and meets the criteria of subdivisions (a), (b), and (c) for that period.

(e) Any person who claims that he or she meets the criteria of subdivisions (a), (b), and (c) based entirely or partially on a driver's license and driving experience acquired anywhere other than in the United States or Canada has not been licensed in US or Canada for the previous 18-months and meets the criteria of subdivisions (a), (b), and (c) for that period shall be qualified to purchase a Good Driver Discount Policy. The driver shall provide the company proof of continuous foreign licensing, which when combined with any US or Canada driving experience totals for 3 years or more and a copy of a foreign Motor Vehicle Report showing that they meet the qualifications of a Good Driver.

Mature Driver Discount

A Mature Driver Discount applies to all household members 55 years of age or older who have successfully completed a motor vehicle driver improvement course meeting the standards of the Department of Transportation. This discount shall apply to all coverage for all policy periods beginning within the 36-month period immediately following the successful completion of the course.

All qualifying drivers must provide a copy of the certificate indicating the state approved course has been successfully completed to qualify for the discount to the broker. Alliance United Insurance Company may ask for the documentation from time to time at the discretion of the underwriter to prevent fraud and misrepresentation. The successful completion of more than one course within a 36-month period does not qualify the insured for additional discounts. Each participant must take an approved course every three years to continue to be eligible for the discount.

To continue to be eligible for the discount for subsequent policy terms, the insured may not be:

1. Involved in an accident for which the insured is chargeable,
2. Convicted of a DWI offense, or
3. Convicted, or have accepted Accelerated Rehabilitative Disposition (ARD) for driving under the influence of alcohol or a controlled substance.

This discount shall not apply in the event the approved course is specified by a court or other government entity resulting from a conviction of a DWI offense.

Renewal Discount

A discount will be available to insureds that renew their policies with the Company. The following discounts will automatically be applied to qualifying policies at renewal.

	BI	PD	MP	UB	UP	CDW	CP	CL
After the 6th Month	6.5%	6.5%	0.0%	6.5%	6.3%	6.3%	6.5%	6.5%
After the 12th Month	10.0%	10.0%	0.0%	10.0%	10.0%	7.7%	10.0%	10.0%
After the 24th Month	13.5%	13.5%	0.0%	13.5%	13.5%	11.0%	13.5%	13.5%
After the 36th Month	17.0%	17.0%	0.0%	17.0%	17.0%	11.0%	17.0%	17.0%

Named-Operator Physical Damage Coverage Endorsement

If this optional endorsement is selected, an 8% discount on the physical damage premium is provided in return for the following Driver Restriction:

- Physical damage coverage is issued on a restrictive policy and applies only to drivers listed as rated drivers on the application – ***THERE IS NO PHYSICAL DAMAGE COVERAGE IF THE VEHICLE IS BEING DRIVEN BY ANY OTHER DRIVER.***

This endorsement may be applied at new business or endorsed to an existing policy. Please refer to our Policy Change section for our rules regarding changes.