



AUTOMOBILE



UNDERWRITING

A majority of CFM's Auto Underwriting guidelines and rules described in this manual are built into our system. This is intended to aid our licensed agents in making effective and efficient risk selection. It also allows for straight through processing with signed documents and a down payment. If underwriting approval is required or the quote is rejected, a message will appear in the system. If approval for underwriting review is required, the agent needs to finish the application and submit with any necessary forms and/or pictures. All forms, including the signed application, must be maintained in the agent's office, unless the system or underwriter specifically requests they be attached. If a quote needs to be approved, the policy is not bound until it is approved by an underwriter.

Terms

- 6-month policy terms.

Territory

- Rated based on the garaging zip code.
- Vehicle garaging location must be in the state of Missouri.

Named Insureds

- Minimum age is 24 years old or married to someone who is.
- Titled owner(s) of the insured vehicle(s).
- Valid driver's license in the United States for at least 2 years.

Drivers

- All individuals in the household who are 16 years or older or who regularly drives any of the insured vehicles needs to be rated or excluded on the policy.
- Excluded drivers will need to be named on the Named Driver Exclusion Endorsement- PA 5317 signed by the named insured(s).
- A spouse of the named insured can only be excluded if they have never been licensed or have surrendered their driver's license due to a medical condition.
- All rated drivers must have a valid driver's license.
- Do not submit:
 - Persons who use alcohol, drugs or narcotics in excess.
 - Persons who have had one or more alcohol or drug related violations in their history.
 - Persons who require an SR-22 filing.
 - Persons engaged in any illegal or illicit business of any kind.
 - Individuals whose records disclose frequent or serious accidents.
 - Persons or physically impaired drivers with health problems that make them susceptible to accidents or to serious complications if injured, such as, but not limited to:
 - Neurological disorders
 - Near loss of sight

- Severe heart condition in the past 3 years
- Epilepsy in the past 5 years
- Loss of use of hand and/or feet
- Use of insulin for diabetes
- Drivers listed below will require underwriting approval:
 - Drivers who have had a suspended or revoked driver license in the last 5 years.
 - Drivers who are disabled will be required to complete an Acord Medical Statement.
 - Drivers who are undergoing a course of mental or physical treatment.
 - Drivers age 76 and over will be required to complete an Acord Medical Statement.
 - Drivers age 81 and over will be required to complete an Acord Medical Statement and a physician's statement.
 - Drivers who are separated but not legally divorced.

Named Driver Exclusion Endorsement

- A policy can be endorsed to exclude all coverages for damages, expenses or loss that arises from the maintenance or use of any vehicle by a member of the named insured's household who is specifically named as an excluded driver.
- A named insured cannot be named as an excluded driver unless the driver's license of the named insured has been suspended or revoked.
- Endorsement used: PA 5317

Class Code

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

Driver Assignment

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

Violations

- No more than 1 minor violation per driver is allowed on a policy. 1 minor violation equates to 1 point in our system.

Minor violations

- Speeding
- Signs and signals
- Failure to Yield
- Following Too Close
- Backing

Accidents

- At fault accidents are not allowed. At fault accidents are accidents that were deemed 50% or more fault assigned to the listed driver.
- No more than 2 not at fault or Other than Collision accidents per policy are allowed.
- We surcharge within 3 years of the effective date of the policy but underwrite within 5 years.

Joint Ownership

- Used when there are multiple owners of an insured vehicle residing in the same household but are not related or;
- Multiple owners of an insured vehicle who do not reside in the same household but are related by blood, marriage or adoption.
- Endorsement used: PA1200

Extended Non-Owned-Named Insured

- This coverage provides Liability, Medical Payments, and Uninsured Motorist coverage while driving non-owned vehicles.
- Endorsement used Extended Non-Owned -Named Insured PA1600

Prior Insurance

- At least 6 months prior insurance with the same carrier is required.
- 1 year of prior with the same carrier is required if 100/300 or 250/500 limits are requested.
- If we are not able to verify prior insurance with the Current Carrier Report, we may require proof attached to the policy prior to binding.

Coverage Limits

- Bodily Injury Limits
 - 25,000/50,000
 - 50,000/100,000
 - 100,000/300,000
 - 250,000/500,000
- Property Damage Limits
 - 25,000
 - 50,000
 - 100,000
 - 250,000
- Medical Payments
 - 1,000
 - 2,000
 - 5,000
 - 10,000
- Uninsured Motorist
 - 25,000/50,000
 - 50,000/100,000

- 100,000/300,000
- 250,000/500,000
- Underinsured Motorist
 - 50,000/100,000
 - 100,000/300,000
 - 250,000/500,000
 - Underinsured Motorist Coverage endorsement –PA 2224

Underwriting Score group

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

Vehicles

- A four- wheel motor vehicle of the private passenger, station wagon or jeep type, owned by or leased under contract for a continuous period of a least 6 months.
- A motor vehicle with a pickup, van or other truck body type with a gross vehicle weight of 12,000 lbs or less.
- Do not submit an application including any of the following vehicles:
 - Any vehicle with tracks, crawler treads or more or less than 4 wheels.
 - Gray Market cars not originally manufactured to meet US standards.
 - Vehicles used for pickup/delivery, livery, limousine, or taxi service, or any commercial purposes.
 - Emergency vehicles.
 - Vehicles equipped or used for snowplowing.
 - Restored, custom built, reproduction cars, kit cars or limited production vehicles.
 - Motor homes and recreational vehicles.
 - Vehicles with non-factory mechanical or structural modifications.
 - Racing, Dragsters, Hotrods, Stock Cars and Dune Buggies.
 - Physical damage coverage on vehicles over 20 years, except Antique program vehicles.
 - Vehicles not personally owned by the named insured(s).
- Vehicles listed below will need underwriting approval before binding:
 - Vehicles that are 16 to 20 years old that are wanting Other than Collision or Collision coverages. Pictures of all sides of the vehicle will be required and submitted for review.
 - Vehicles that have custom equipment on them that the named insured would like covered.
 - Vehicles over \$80,000 cost new.
 - Vehicles held for resale or rental.

- Vehicles with high rollover experience such as, but not limited to: 15 passenger vans, any vehicle equipped with oversized tires, lift kits, roll bars and/or winches.

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

Vehicle Usage

- Pleasure Use- No business use of automobile and it is not used in the course of driving to or from work.
- Work Use- No business use of the automobile but it is used in the course of driving to or from work.
- Business Use- Any vehicle used in the insureds business or occupation and titled to the insured personally, except described below.
- Acceptable business usage:
 - Sales, service, real estate and insurance representatives.
- Not Acceptable business usage:
 - Delivery, livery conveyance, taxi services, Uber, Lyft or similar services.
- Business Use-Government Use in the business of the United States by an employee of the Government, shall be considered a private passenger auto only if:
 - It meets the conditions of a private passenger vehicle.
 - Coverage is limited in accordance with the federal employee using autos in government business.
- Non-Business Occupations:
 - Clergymen, except evangelists.
 - County and State Agricultural Extension Personnel.
 - Home Health, Social and Welfare workers.
 - Soil and Wildlife Conservation Commission Personnel.

Deductibles

Physical damage coverage is allowed on personal vehicles up to 15 years old, vehicles 16-20 years with pictures and underwriting approval and through our Antique program for vehicles over 20 years on approval.

Collision and Other Than Collision deductible options:

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

Roadside Assistance

- Coverage of \$100 per incident is available if the phone number used for Roadside is called

at the time of disablement. This is not a pay and reimbursement coverage.

- This service is provided by an outside vendor, Driven Solutions, who contacts authorized service representatives.
- Services included in Roadside Assistance:
 - Towing
 - Battery Jump Start
 - Gas Delivery of up to 2 gallons
 - Flat Tire Change
 - Locksmith service, if you lock your keys inside your vehicle
- They must be contacted at the number on the Roadside ID card during the time of disablement.
- This coverage is also available on vehicles with liability only.

Extended Transportation/Rental

- All vehicles with Collision and Other Than Collision coverage have \$30/day up to \$900 per occurrence rental coverage included.
- This is only available at the time of an auto accident.
- There is an optional increased extended transportation limit of \$60/day up to \$1800 per occurrence that can be selected by vehicle at an increased charge.
- The endorsement that accompanies the increase coverage is -Optional Limits Transportation Expenses Coverage endorsement PA 3601.

Discounts

- Paid in Full policies receive a 2% discount.
- Loyalty Discount-If a policy has been with CFM they will get a 1% discount for the number of years they have been with the company, up to 10 years.

Surcharges

- Inexperienced Operator-drivers with less than 2 years driving experience.
- Big Pickup-Trucks with a GVW over 10,000 lbs.

Pay plans

- Direct bill Paid in Full
- Direct bill 2 pay-half the premium is paid down and the other half in 3 months.
- Auto debit Paid in Full
- Auto debit 2 pay
- Auto debit 6 pay
- Auto debit pay plans can be set up using the insureds banking account or credit card.

Fees

- Direct Bill Installment fee --\$7
- Auto Debit Installment fee--\$2
- Policy fee on new business--\$35

- Renewal fee--\$25
- Late fee--\$10, if a payment isn't made on the due date a late fee is charged.
- Reinstatement fee--\$25, if a policy has been cancelled for non-payment from 1-5 days and underwriting agrees a policy can be reinstated.
- Rewrite fee--\$25, if a policy has been cancelled for non-payment from 6-30 days and underwriting agrees a policy can be rewritten.
- NSF fee--\$25

Cancellations

- Insured request cancellations can be done with a named insured's signature.
- Company cancellations can be done during the Underwriting time period, within 60 days of the new business effective date.
- Non-payment cancellations are sent if payment isn't received by the company on the due date.

Reinstatement

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

Rewrites

- Available if the policy has been cancelled 6-30 days.
- Available with underwriting approval.
- Down payment, \$25 rewrite fee and any outstanding balance due when binding.
- New signed forms are needed.

Miscellaneous Programs/ Options

Trailers/Campers

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

- Homemade units are not acceptable.
- Trailers used for business purposes are not acceptable.
- Roadside Assistance is not available with a Trailer/Camper.
- Endorsement used: Trailer and Camper Body Coverage PA8404.

Antique Vehicles

- This program includes vehicles that are 20+ years old needing collision and other than collision coverages.
- They may be insured on a stated amount basis only.
- This coverage may be written if the vehicle is used for limited use only, such as parades and shows.
- The vehicle must have historical plates.
- We require supporting auto business with physical damage coverage to write antique vehicles.
- Endorsement used: Physical Damage Coverage for Your Auto PA 7601

Customized Equipment for Pickups and Vans

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