



**Mailing Address:**

***General***

Abram Interstate Insurance Services, Inc.  
2211 Plaza Drive, Suite 100  
Rocklin, CA 95765

***For Payments***

Abram Interstate Insurance Services, Inc.  
Attn: Payment Processing  
2211 Plaza Drive Suite 100  
Rocklin, CA 95765

**Important Contact Information:**

***Report a New Claim and  
Claims Servicing***  
800-299-5709

***Claims Service Fax***  
714-577-3999

**Contact Us:**

***By Phone*** 916-780-7000

***By Fax*** 916-780-7181

***By Email*** auto@abraminterstate.com

Private Passenger Auto

**Abram Interstate Insurance Services, Inc.**

California Private Passenger Automobile Insurance  
Affinity Group Program – Signature Nationwide Auto Club



**California**  
**Product Guide**

Effective May 1, 2008

**Topa Insurance Company**

A.M. Best Rating A- (Excellent)

Coverages Underwritten by the following Company:  
Topa Insurance Company



**Abram Interstate Insurance Services, Inc.**  
**CA Private Passenger Auto-Affinity Group Program**  
**Signature Nationwide Auto Club of CA Members**  
**Underwritten by Topa Insurance Company**

**Effective Date: May 1, 2008**

Accidents.....	10-11
Additional Equipment/Special Equipment.....	14
Annual Mileage .....	5
Binding Authority.....	2
Business Use.....	5
Cancellations.....	6
Claims Procedure.....	2
Commission.....	2
Coverages Offered.....	8
Discounts.....	11-12
Driver Exclusions.....	7
Endorsement Guidelines.....	4
Fees.....	6
Financial Responsibility Filings.....	6
Frequency/Severity Bands.....	6
General Procedures.....	2
Marital Status.....	7
Named Non-owner policies .....	7
New Business Applications.....	3
Non-Sufficient Funds Charge.....	7
Payment Options.....	2
Photograph Requirements.....	3
Physical Damage Rules.....	13-14
Policy Fee.....	2
Policy Terms.....	2
Program Qualifications (Motor Club).....	2
Rating Requirements (Driver/Vehicle).....	8
Reinstatements.....	7
Reinstatement (Late) Fees.....	7
Renewals.....	7
Renewal Billing.....	7
Surcharges.....	11
Symbol Assignments.....	13
Unacceptable Risks.....	9
Underwriting Guidelines.....	9
Violations.....	10-11

## **GENERAL PROCEDURES:**

### **Binding Authority:**

Producer's have binding authority in accordance with the rules contained in this manual and subject to the terms set forth in the Producer's Agreement. Coverage is bound as of the date and time the application (and other supporting documents) is uploaded to Abram Interstate via our P.U.R.E. online rater or other form of media preapproved by Abram Interstate. All applications must be faxed to Abram Interstate at the time of upload. Electronic binding does not negate the requirement to fax the completed application and supporting documentation.

If the signed application and supporting documents are not faxed within 24 hours of the requested bind date, the policy will be issued effective 12:01am the day following the date of the fax confirmation received.

Fax to: 916-780-7181

### **Commission**

Commissions are payable as outlined in your Compensation Agreement or Abram Interstate Insurance Services, Inc. Broker-Company Agreement. All premium payments, including down payment, must be submitted gross premium. Commissions may not be retained.

### **Claims Procedure**

Report all claims directly to AFA Claim Services by faxing a completed ACORD Loss Notice to 1-714-577-3999. Do not mail reports of new claims. ACORD Loss Notices must be faxed within 24 hours of receiving notice of the claim. It is expressly agreed the producer shall have no authority with regard to claims, claim activity, or the settlement of claims.

### **Policy Terms**

TOPA Insurance offers semi-annual and annual policy terms. Policies can be paid in full or offered with payment plans (see payment options below)

### **Payment Options**

A variety of payment options are available. Payment plan options are provided on your comparative rating software. Abram Interstate does not accept outside premium financing.

### **Policy Fee**

A fully earned policy fee is charged on all new business policies. Commission will not be paid on policy fees. The policy fee must be remitted with the down payment or total term premium for all new business applications.

### **Program Qualifications**

Acceptable insurance policies can only be purchased in conjunction with a Motor Club package thru Signature Nationwide Auto Club of California, Inc. TOPA Insurance Company and Signature Nationwide Auto Club are separate business entities offering separate coverages and benefits. Benefits of the Motor Club program are outlined as an attachment to the insurance application, and is separate from any coverages provided by TOPA Insurance Company.

## **New Business Applications**

All applications must be complete and signed by both the named insured and the producer. Both the applicant and producer WARRANT the information on the application is true and correct. All persons 14 years of age or older living in the household, temporarily living in the household, or anyone who has regular use of an insured's vehicle must be listed on the application as a driver (if licensed) or excluded from coverage with a signed driver exclusion form.

Applicants under 18 years of age must also have a parent's or legal guardian's signature on the application, as well as all other documents signed by the named insured.

**WE DO NOT ACCEPT BROKER POWER-OF-ATTORNEY SIGNATURES.**

Please submit all new business on an Abram Interstate Insurance Services, TOPA Insurance Company Personal Auto Application via P.U.R.E. online rater. To ensure all applications are processed promptly and correctly, a FULLY completed and signed application must be accompanied by:

1. Copy of registration, lease agreement, sales contract, or title for all vehicles requesting coverage
2. Copy of the Driver License or Matricular Consular card for all drivers listed on the application
3. Motor Vehicle Record for all drivers, obtained within 30 days from the policy inception date
4. Correct limits and coverages as outlined by this manual
5. Signed waivers and exclusions as required
6. Documentation regarding loss history information - (see accidents section of this manual)
7. Documentation supporting rated discounts – discounts will not be applied without documentation
8. All required photographs – (see photograph requirements section of this manual)
9. Producer and Named Insured's signature in all areas of the application and supporting documents.
10. Payment plan selected and agency trust check for gross downpayment or full payment for policy term
11. A copy of the Abram Interstate/TOPA Insurance rating quote sheet (FSC) used for final rating of policy
12. Completed National Origin Race and Gender survey

## **Photograph Requirements**

Producers should inspect any vehicles prior to requesting to bind coverage in order to determine if any existing damage is present. Vehicles with existing damage must be referred to underwriting prior to binding physical damage coverage. If damage is determined to be under the deductible requested, binding is acceptable provided a repair estimate is included with the application. We require one photograph showing the front and driver's side of the vehicle and another showing the rear and passenger's side, including the license plate. Digital photos are acceptable and must be emailed the date & time of binding to [auto@abraminterstate.com](mailto:auto@abraminterstate.com).

Photographs are required prior to binding coverage on all vehicles that meet any of the following conditions:

1. Vehicles 7 years or newer that are written for physical damage coverage unless:
  - a. proof of previous physical damage coverage (for the same vehicle/s with same or lower deductibles) is submitted indicating no lapse in coverage or
  - b. the vehicle is purchased new and unused from a dealership within 15 days of the effective date and a copy of the purchase agreement is provided with the application ; or
  - c. the vehicle is purchased used from a dealership and a completed "Dealer Inspection Statement" is received within 15 days of the effective date and a copy of the inspection statement is provided with the application
2. All vehicles over 20 years old regardless of coverages purchased
3. All pickups and vans written with physical damage coverage. Vans require a photograph showing the inside through the rear door
4. All salvaged vehicles
5. All vehicles requesting physical damage coverage to be added after policy inception or vehicles requesting to reduce physical damage deductibles after policy inception
6. All vehicles requesting special equipment coverage. (see Special Equipment section of this manual)

## Endorsement Guidelines

Endorsements must be processed in accordance with the rules contained in this manual. Failure to comply with guidelines may result in delay in processing, or denial of coverage based on information received.

To ensure all endorsements are processed promptly and correctly, the following is required:

1. All policy changes must be completed on an ACORD Personal Auto Change Request form and faxed to Abram Interstate on the same date coverage is requested.
2. If the policy change is requesting a deletion of any coverage, vehicle, or driver, it must be signed by the named insured.
3. Endorsements will be deemed effective the date and time of the fax to Abram Interstate, unless future effective date requested.
4. In the absence of a fax, the endorsement will be made effective the date after the postmarked date on the envelope received containing the endorsement. If the postmarked date is not legible, the endorsement will be effective the date received by Abram Interstate.

*If named insured is under the age of 18 years old, a signature from the parent or legal guardian is also required on all endorsement requests.*

5. Requests to backdate coverage deletions will not be permitted
6. Requests for suspension of coverage are not permitted
7. Supporting documents must be faxed with all policy change requests.

### **When adding a vehicle:**

- Include a copy of the registration, sales contract, or bill of sale with your endorsement request
- Indicate coverages requested (subject to policy limits)
- Annual mileage driven for the vehicle is required with request
- If annual mileage is not stated, the policy will be rated at a minimum 10,500.

### **When removing a vehicle:**

- Bill of sale, proof of "trade-in", or non-operational certificate from DMV required
- Signature from named insured required on ACORD change form
- If sole vehicle on policy, replacement vehicle information required

### **When adding a driver:**

- Include a copy of the driver license
- Include a Motor Vehicle Report (obtained within 30 days of the endorsement request)
- Relationship to named insured is required with your request
- Indication of SR22 (if required) on the change request – see Financial Responsibility section

### **When removing a driver:**

- Signature of named insured required on ACORD change form
- A signed company specific driver exclusion form is required to remove a driver from a policy
- Include the reason why the driver is being removed from the policy

### **When amending coverages:**

- Liability coverages must have same limits for all vehicles listed on the policy
- Photographs are required when endorsing physical damage coverage to the policy
- Photographs are required when lowering any deductible on the policy
- Uninsured Motorist waiver is required when removing either UMBI or UMPD
- Special Equipment endorsement requires photographs of equipment to be covered

## Annual Mileage

Annual mileage is based on customer's estimate of actual miles driven per year on each vehicle covered. Abram Interstate reserves the right to verify annual mileage ratings, and/or require an estimated annual mileage statement form in order to document rate requested.

If information conflicts (such as miles driven between home and work) with the total mileage estimate, Abram Interstate will use the higher provable mileage. Also, the employer's address or a student's address for each driver is required to verify the annual mileage is being rated correctly. If the employer address or student's school address is not provided, the vehicle will be rated using the company's average mileage estimate of 10,500. Notification of premium increases resulting from changes in annual mileage will be mailed to the named insured.

## Business use

Acceptable business use includes vehicles used to carry tools and supplies between the insured's home and job site. Vehicles are unacceptable for business use unless they meet the following guidelines:

1. Vehicles may visit, on average, no more than three (3) job sites per day.
2. Vehicles must be owned or leased by the applicant.
3. Only one business use vehicle is permitted per policy.
4. No employee operators are permitted
5. Vehicles may only be driven within a radius of 100 miles of the garaging address during the course of employment.
6. Vehicles may not carry equipment that weighs more than 500 lbs.
7. Vehicles may not carry any explosives or flammable materials

Examples of Acceptable occupations are as follows:

Appliance Repairman	Janitorial Serviceman
Appraiser	Landscape Contractor
Blacksmith	Musician
Cabinet Maker/Installer	Painter
Carpet Cleaner/Installer	Plumber
Construction	Pool cleaner Maintenance
Contractor	Radio/TV Repairman
Drapery Installer	Refrigeration Serviceman
Electrician	Repairman (general)
Exterminator	Roofer
Fence Installer	Surveyor
Furniture Repairman	Tree Trimmer
Heating/AC Repairman	Upholsterer
Interior Decorator	Welder

Examples of Unacceptable Business use are as follows:

1. Vehicles used commercially
2. Vehicles used as courier or livery
3. Vehicles with logos or advertising on them – either permanent or temporary
4. Vehicles owned or leased by a partnership or corporation
5. Vehicles where business or DBA is listed as additional interest
6. Vehicles that visit for (4) or more job sites a day

## **Cancellations**

1. No flat cancellations are permitted (except in situations where the insured's check for the initial payment is returned dishonored or proof of duplicate coverage is provided.)
2. An insured signed and dated request is required with the reason for the cancellation request.
3. We will cancel for duplicate coverage only within 30 days from the postmark on the request. Proof of duplicate coverage must be submitted with the request. Coverages, drivers and vehicles must match exactly in order for a duplicate coverage cancellation to be processed.
4. Payment of less than the minimum amount due may not prevent cancellation for nonpayment or expiration.
5. Cancellation with a balance due will be billed as earned premium due to the company.

## **Driver Exclusions**

Any person may be excluded from coverage, including the named insured. Include the reason for the exclusion and driver's license number in the Remarks section on the application. Individuals residing in the insured's household, either permanently or temporarily, must be listed as drivers or excluded on the application, whether licensed or not. Additionally, household members 14 years of age or older, resident household members and their spouses, co-registered owners and their spouses, and any individuals who regularly operate the insured's vehicle must be listed on the application as a driver or excluded from coverage.

## **Fees**

A \$30 policy fee will be added to each new business policy, subject to the Good Driver Discount. A combined annual fee of \$2 will be charged for each vehicle insured in order to fund increased investigation and prosecution of fraudulent automobile insurance claims and other consumer automobile insurance services required under Sections 1872.8, 1872.81, and 1874.8 of the California Insurance Code. A billing fee will be added to each premium/installment bill. The billing fee is \$15 (\$20 if the installment is late), subject to the Good Driver Discount. A \$7 endorsement fee will be charged on all premium changing endorsements, (\$5 when the Good Driver discount applies). All fees are fully earned and non-refundable. Producer is not paid commission on fees. Refer to insurance application for disclosure of all fee amounts.

## **Financial Responsibility Filings**

SR22 filings (U) will be issued for rated drivers only when all vehicles owned by that driver and/or that driver's spouse are covered on the policy. The charge for Financial Responsibility filings is \$5 (subject to the Good Driver Discount). For policies that lapse with an SR22 filing, a \$5.00 fee (subject to the Good Driver Discount) will be assessed for each SR filing. The fee is fully earned. Filings will be made in California only, for drivers with a California driver's license. Financial responsibility owner filings will not be made unless all vehicles registered to the insured and spouse are insured by Abram Interstate/TOPA Insurance Company. SR22 filings (T) will be issued for non-owner policies and for the listed driver that does not have ownership of any vehicles. The listed driver's spouse cannot have vehicle ownership of any kind. This includes vehicles classified as "non-operational" thru the DMV. Policies with SR22 filings (T) must have only one (1) listed driver. SR22 filings (S) Broad coverage and SR1P filings may not be issued.

Producers are held responsible for any in-house filings assigned to their agency. SR22's are to be used for the purpose of new business applications and endorsements for those acceptable drivers requiring proof of financial responsibility with the California Department of Motor Vehicles.

## **Frequency/Severity Bands**

Refer to the Frequency/Severity Band definitions to determine the band that applies to each coverage based on the zip code in which the auto is garaged. Vehicles garaged at multiple locations will be rated at the band yielding the highest premium.

## **Marital Status**

The married rate will be given to legally married drivers living in the same household, and to registered domestic partners. All other drivers (separated, divorced, engaged, widowed, or otherwise will be rated single)

## **Named Non-owner Coverage:**

Liability coverages are available covering a named driver while driving non-owned private passenger vehicles, subject to certain limitations. Non-owner coverage is not available if the named insured or spouse is the registered owners of any motor vehicles. This includes vehicles classified as non-operational thru the Department of Motor Vehicles. Coverage is excluded while operating any vehicles that are available for the named insured's regular use. Physical damage coverage is not available on a non-owner policy. Named non-owner coverage is unacceptable for any driver with a license restricted to driving vehicles equipped with an ignition interlock device. Any policy written under named non-owner coverage must be accompanied with the non-owner coverage form attesting to the limitations of this policy.

A named non-owner policy will be rated at the lowest annual mileage category. Only one driver can be included on an application.

## **Non-Sufficient Funds Charge**

There is a \$20.00 Non-sufficient Funds charge on all dishonored payments. Once we receive notification a check has been returned unpaid, we will rescind coverage as applicable or issue a notice of cancellation on the policy. In order to consider reinstatement with a lapse in coverage, the insured must pay the original amount by cashiers check or money order, with the \$20.00 NSF check charge, plus any additional premium required for the current policy term or installment, in order to have the policy reinstated with a lapse in coverage. If the dishonored check was written for the initial down payment on a new business or renewal policy, coverage will be rescinded back to the inception date and reinstatement will not be offered.

## **Reinstatements**

A policy may be reinstated with a lapse in coverage if the required information and/or payment are received within 30 days of the cancellation date. Subject to Abram Interstate approval, policy coverage is reinstated as of the date after the U.S. postmarked date on the envelope containing the required information or premium to reinstate coverage.

## **Reinstatement (Late) Fees**

If a payment is late, there is a reinstatement/late fee assessed on policies that cancel and are subsequently reinstated with a lapse in coverage. This fee offsets the additional operation expenses necessary to service reinstatements. If reinstatement fees are not included with the payment received, this amount will be added to the next billing cycle.

## **Renewals**

Program eligibility and policy premiums will be reviewed upon renewal using, but not limited to, current program rates, driver point counts, and vehicle classification. New approved rates will be applied at the 6 and/or 12 month anniversaries.

## **Renewal Billing**

We will send a renewal notice directly to the insured prior to the policy expiration date. The insured must pay the amount billed, and the payment must be postmarked prior to the expiration date in order to maintain renewal coverage without lapse. If payment is not made, the policy will expire. Renewal premiums will be billed at the rate in effect at the time of renewal. There is no grace period. If a late renewal is accepted by Abram Interstate, the policy will be renewed with a lapse in coverage and will be rated based on the rates effective at the time of the renewal. Payments received after 30 days of the expiration date will not be reinstated for coverage.

## Rating Requirements – Driver/Vehicle

### Driver Rating Requirements:

1. Driver License: Applicants must have a valid driver's license.
2. Driving Experience: Driving experience is based on the date first licensed in any jurisdiction.
3. Driver Assignment: The highest rated driver will be assigned to the highest rated vehicle. Do not combine the points if there are two or more drivers. If there are more vehicles than drivers, the remaining vehicles are rated at the lowest rate for all driver related factors (gender, marital status, driving years experience, driving safety record, and good student discount).

### Vehicle Rating Requirements:

4. Vehicle characteristics will be grouped by characteristics that bear a relationship to damageability and reparability as follows:

Group #1 – Vehicles not listed in Group #2 & #3

Group #2 – Grey market vehicles and salvaged vehicles (but not having any Group #3 characteristics)

Group #3 – Any of the following:

4x4 vehicles

electric or hybrid electric vehicles

exhibition vehicles

limited production vehicles

kit cars or replicas

show cars, classic cars, or antique cars

vehicles modified subsequent to original manufacturer

vehicles not in safe mechanical condition

vehicles to be used off-road only

vehicles which are custom built or restored

vehicles equipped for snow plowing

5. Vehicle Age: The vehicle's model year will be used in determining the vehicle age as of the policy term effective date. Vehicles age on October 1<sup>st</sup> of each year. For example: a 2007 model year vehicle is 0 years old for policy term 10/01/06 – 09/30/07 and 1 year old for policy terms effective 10/01/07 – 9/03/08

## COVERAGES OFFERED:

### Bodily Injury Limits:

\$15,000/\$30,000

### Property Damage Limits:

\$5,000

\$10,000

### Uninsured Motorist Bodily Injury Limits:

\$15,000/\$30,000

### Uninsured Motorist Property Damage Limits:

\$3500

-if coverage rejected, a waiver must be signed by the named insured

### Medical Payments Limits:

\$1000

### Physical Damage Deductible Limits:

#### Comprehensive:

\$250

\$500

\$1000

#### Collision:

\$250

\$500

\$1000

#### Collision Damage Waiver/CDW:

\$250

\$500

\$1000

-Physical Damage only policies are not acceptable

-If Physical Damage coverage is requested, the comprehensive and collision deductibles must be the same.

**Special Equipment Limits:** Up to \$1000 maximum coverage limit

-Special Equipment coverage is not available without comprehensive and collision coverage

**Rental Reimbursement:** \$20 per day/\$600 maximum per claim

## UNDERWRITING GUIDELINES

Before quoting a risk or binding coverage, refer to the “Unacceptable Risks” list to determine acceptability. If you have any questions regarding acceptability, please call the underwriting department at Abram Interstate.

If a risk requires company approval and the producer does not call and speak to an underwriter, the policy will be subject to cancellation or rejection of coverage bound. Incomplete applications and unacceptable risks may not be submitted and are subject to denial of coverage. Abram Interstate reserves the right to make the final underwriting decisions on risks.

### Unacceptable Risks:

**1. Any former Abram Interstate policyholder who:**

a. has an unpaid balance due, unless the balance due is submitted in addition to the correct down payment for the new policy

**2. Any driver with any of the following:**

- a. any driver without a valid driver’s license, a provisional license, or a permit.
- b. applicant convicted of insurance fraud
- c. any driver with three or more at-fault accidents within the past 36 months.
- d. more than one major violation

**3. Any vehicle with any of the following:**

- a. vehicles not registered to the named insured or spouse, unless the registered owner is listed as a driver on the policy, or excluded from coverage. Co-registered vehicles are acceptable provided the named insured or spouse is one of the co-registered owners. The other co-registered owner must be added to the policy as a driver or excluded from coverage by signed endorsement.
- b. motor vehicles not of the private passenger auto type
- c. motor vehicles rented to others
- d. Pick-ups and vans with a load capacity in excess of one (1) ton
- e. vehicles that are no primarily garaged in the State of California
- f. motorcycles
- g. motor homes or house cars
- h. Physical damage coverage may not be written for vehicles with a vehicle value over \$50,000 unless the named insured qualified for the Good Driver Discount. Refer to the definition of “vehicle value” under the Physical Damage rules section of this manual.
- i. vehicles regularly garaged at a location other than the residence address listed on the application.
- j. Custom, rebuilt, specialty built vehicles (including kit cars and Dune/Baja Buggies)
- k. Salvaged vehicles for physical damage coverage
- l. Salvaged vehicles with liability coverage which do not include the required photographs
- m Stake bed and flatbed trucks
- n. Antiques or Classic vehicles

**4. Vehicles that are used for:**

- a. racing or speed contest, emergency or law enforcement
- b. snowplowing for hire
- c. mail/parcel post delivery, retail food and beverage delivery, and messenger or courier service
- d. news dealers, including newspaper delivery and distribution
- e. any public or private livery transportation (example: limousines, taxis, buses, or van pools)
- f. short-term rentals
- g. transporting nursery or school children

# ACCIDENTS & VIOLATIONS

## Violations:

### Minor Violations:

DMV assigns one violation point for minor violations. Minor violations incurred while driving an employer's vehicle for compensation during the hours of employment may not be chargeable and should be so identified on the application. The applicant must submit a written declaration, from the employer at the time the incidents occurred, stating the violation was received while operating a motor vehicle for compensation during the hours of employment. This does not apply to major violations or accidents. This does not apply to self-employed individuals. This applies only to individuals whose specific duties include driving their employer's motor vehicles or individuals who have authority in their name from the Public Utilities Commission to operate as a highway carrier and who are registered owners or lease operators of the motor vehicle. However, charges for the following violations cannot be waived.

1. Subdivision (a) of section 14601
2. Subdivision (a) of section 14601.1.
3. Subdivision (a) of section 14601.2.
4. Section 20001 or 20002.
5. Subdivision (a) of section 20008.
6. Sections 23103, 23104, 23152, or 23153

### Major Violations:

DMV assigns two violations points for major violations.

### Driving safety record points will be assessed as follows:

Violations:	Points:
Minor Violations	1
First At-fault accident	2
Second At-fault accident	2
First Major Violation	5

The public record of traffic violation convictions available from the California Department of Motor Vehicles, together with similar public records of traffic violation convictions that are available from other jurisdictions and the principally at-fault accidents shall be used to develop the safety record factor of the driver rated on the insured vehicle. For multiple point count charges arising out of one occurrence, use only the highest charge involved. Any accidents or violations not charged in multiple point count occurrences will still be taken into consideration in determining if any accidents or major violations which occur subsequently are to be charged as "each additional". Accidents that occurred not more than three years preceding the effective or renewal date of the policy and traffic violation convictions with conviction dates not more than three years preceding the effective or renewal date of the policy will be considered when developing the safety record factor points will be dropped as appropriate at each renewal.

We will count all moving violations and chargeable accidents for the past 36 month experience period received while operating a private passenger automobile, motorcycle or commercial vehicle. Use the conviction date for occurrences appearing on the driving record.

Violation point counts will be accurately assessed by your rating software.

## **Accidents:**

Any accident shall be considered chargeable with injury unless documentation is furnished describing the accident and showing that the applicant was not at fault, or did not involve bodily injury either to the insured or other party. An accident is considered chargeable if the driver's actions or omissions were at least 51% of the proximate cause of the accident and in accidents not resulting in death, if the total loss or damages caused by the accident exceed \$750.00. The above are subject to the exceptions set forth in section 2632.13 Subsection (3) of the Insurance Code. All accidents are considered chargeable unless proof is submitted of not-at-fault. Fraudulent or material misrepresentations may result in the voiding or cancellation of the policy. Proof may be in the form of a copy of the accident report, police report, court record, a signed statement from the customer (under penalty of perjury), or other relevant documentation clearly stating the accident was not at-fault or did not involve injury. Abram Interstate Insurance reserves the right to verify the information provided, and re-rate the policy if information to the contrary is obtained.

## **Dismissals – Traffic Safety School**

The state may dismiss the first citation to an insured who attends traffic school. Subsequent citations within 18 months will show on the MVR, even if the driver attends class again. Dismissed violations which appear on the MVR will be included in the total point count.

## **DMV Violation Codes**

Reference the California Automobile list of DMV Violation Codes to determine the number of points assigned based on the type of violation.

## **SURCHARGES & DISCOUNTS**

### **Surcharges:**

#### **Vehicle Surcharge – 2%, 5%**

A 2% surcharge will apply to vehicles with an ISO performance designation of S (Sports) or I (Intermediate).

A 5% surcharge will apply to vehicles with an ISO performance designation of H (High Performance), P (Premium Sports Car) and for vehicles altered for performance subsequent to original manufacturer.

#### **Business Use Surcharge**

We accept private passenger automobiles and pickup trucks with occasional business use. In order to determine if the business use rating should be applied to the policy, refer to the Business Use section of this manual. A business use surcharge applies to all coverages on private passenger vehicles used by the insured in their business or occupation if the usage is acceptable.

### **Discounts:**

Proof of qualification for discounts must be included with the application or the discount will be denied

#### **Good Driver Discount – 20%**

A discount of 20% on all coverages will be given if a driver qualifies as a Good Driver. **To qualify as a Good Driver, a driver must:**

1. Have been continuously licensed to drive a motor vehicle for the previous three years, with the last eighteen months licensed in the United States or Canada.
2. During the previous three years has not:
  - a. Had more than one violation point count as determined by section 12810 of the Vehicle Code. In determining the violation point count, the driver of a motor vehicle involved in an accident which resulted only in damage to property shall receive one violation point, in addition to any other violation points which may be imposed for the accident.
  - b. Had more than one dismissal pursuant to section 1803.5 of the vehicle code.
  - c. Been the driver of a motor vehicle involved in an accident which resulted in the bodily injury or death of any person and was principally at fault (acceptable proof must be submitted with the application)

### **Multiple Car Discount**

A multi-car discount applies to all coverages except Special Equipment coverage when two or more vehicles are registered to the named insured, covered on the same policy, and have like coverages.

### **Good Student Discount – 2%**

A 2% discount will apply to all coverages except Special Equipment if the driver:

1. Is at least 16 years of age but under 25 years old
2. A full-time student in high school, technical school, or college, and
3. In the upper 20% of his/her class, currently retaining a B (3.0) average, or is on the Dean's List or comparable scholastic achievement list.

\*\*Cumulative averages are not acceptable

To qualify, a current copy of the grade report MUST accompany the application and be presented at each 12-month renewal thereafter in order for the discount to remain on the policy. The grade report must indicate that the student has met the grade requirements during the immediate preceding school semester/quarter.

### **Defensive Driving Course Discount – 5%**

A discount of 5% on all coverages except Special Equipment, will be given to insureds age 55 or older that successfully complete a Mature Driver Improvement course approved by the Department of Motor Vehicles. The discount does not apply, or may be discontinued, if the insured has had a chargeable accident during the three years following the course completion date. The discount also does not apply if the insured took the course pursuant to a court order. The insured's eligibility for the premium reduction is three years from the date of the completion of the course. The course must be taken every three years to continue eligibility for the insurance discount.

A copy of the approved course completion certificate from the sponsoring agency must be attached to the application for qualifying insureds.

## PHYSICAL DAMAGE RULES

### Symbols:

1. Standard ISO Symbols apply

2. If no symbol is assigned for a new model year, increase the previous year's symbol by one. For van conversions and vehicles without a published symbol, assign the symbol according to the Vehicle Value, as determined below.

Vehicle Value	Symbol for 1975 & prior	Symbol for 1976-1980	Symbol for 1981-1989	Symbol for 1990 & newer
\$ 0 – 1,600	1	1	1	12
1,601 – 2,100	2	2	2	12
2,101– 2,750	3	3	3	12
2,751-3,700	4	4	4	12
3,701-5,000	5	5	5	12
5,001-6,500	6	6	6	12
6,501-8,000	7	7	7	12
8,001-9,000	7	8	8	12
9,001-10,000	7	8	8	12
10,001-11,250	7	10	10	12
11,250- 12,500	7	10	10	12
12,501-13,750	7	11	11	12
13,751-15,000	7	11	11	13
15,001-16,250	7	12	12	14
16,251-17,500	7	12	12	14
17,501-18,750	7	13	13	14
18,751-20,000	7	13	13	14
20,001-22,000	7	14	14	14
22,001-24,000	7	14	14	15
24,001-26,000	7	14	15	16
26,001-28,000	7	14	15	17
28,001-30,000	7	14	16	18
30,001-33,000	7	14	16	19
33,001-36,000	7	14	17	20
36,001-39,000	7	14	17	21
39,001-40,000	7	14	18	21
40,001-45,000	7	14	18	22
45,001-46,000	7	14	18	23
46,001-50,000	7	14	18	23
<b>**Contact Abram Interstate Underwriting for approval on any risk with a vehicle value over \$50,000</b>				

**\*\*Vehicle Value is COST NEW for vehicle 8 years old and older and RETAIL VALUE for vehicles 7 years old and newer.**

## **PHYSICAL DAMAGE RULES (continued):**

### **Hi-value rate:**

For vehicles not listed in the ISO manual with a vehicle value greater than \$50,000, contact Abram Interstate Underwriting for approval.

### **Rental Reimbursement Coverage:**

When Physical Damage is purchased, Rental Reimbursement coverage may be purchased for an additional premium. If the endorsement is purchased, all vehicles on the policy with Physical Damage coverage will be charged \$12 for a 6 month policy term or, \$24 for a 12 month policy term.

### **Special Equipment/Modifications**

When Physical Damage coverage is purchased, coverage on the special equipment may be obtained by applying 12% of the Special Equipment Value Annually.

Any equipment that was not installed by the original manufacturer at the time of the original sale is excluded from coverage unless listed on the application and appropriate additional premium is charged.

No coverage will apply to any special equipment that is not described in full, accompanied by current, clear, and legible photographs. No Contents coverage is available.

Physical Damage deductibles apply to additional equipment and modifications. Maximum coverage for special equipment is \$1000.00 per vehicle, minimum premium for special equipment is \$36.00 (semi annual rate).

### **Rating Procedure**

1. Determine value of equipment;
2. Charge 12% of the Special Equipment Value (annual rate)
3. Describe all items in full;
4. Photograph the equipment to be covered
5. Receipts, installation paperwork, or other pertinent forms of documentation are to be included with the application or endorsement for coverage. Labor is not included in equipment value.

### **Stereo/Sound Systems**

Stereo/Sound systems installed by the manufacturer as standard factory equipment are covered under physical damage, up to their actual cash value, subject to the deductibles shown in the Declarations.

All other stereo/sound systems are covered under physical damage up to a value of \$500, subject to the deductibles shown in the Declarations. Additional coverages above \$500, up to \$1000 may be purchased.

### **Rims**

Rims installed by the manufacturer as standard factory equipment are covered under physical damage, up to their actual cash value, subject to the deductibles shown in the Declarations.

All other rims are covered under physical damage up to a value of \$400, subject to the deductibles shown in the Declarations. Additional coverages above \$400, up to \$1000 may be purchased.