

Alinsco Insurance Group

Zoom / Enhanced / Annual Savings / Bravo / Select

Alinsco Insurance Company

Underwriting Guidelines

01.01.24

1. BINDING AUTHORITY

- 1.1. Coverage will be bound by the Company at the latter of the exact date and time the application is signed and dated by both the applicant and agent or the recorded Alinsco system date and time the policy is uploaded, if all of the following are met:
 - 1.1.1. Application is completed in its entirety including signed rejections, driver exclusions, vehicle inspections, and current photos (where applicable) and application with down payment is uploaded via our system.
- 1.2. All applications must have completed the electronic signature process. The insured must click, sign and complete the entire e-signature process. The insured signatures may not be completed by the agent, or agent representative. Down payment funds will be drafted from the agent's account. Coverage is NOT bound if the insured's down payment check is returned by their bank.
- 1.3. If an application is submitted with an improper driver class, symbol, surcharge, discount, territory, or without the required proof for a specific discount, the policy will be issued at the appropriate rate level according to the rules set forth in this manual and the company's filed rating plan. It is the responsibility of the producer to follow all the guidelines and requirements.
- 1.4. The agent must take current photos for all vehicles on the date of the application or endorsement for Uninsured/Underinsured Motorist and Personal Injury Protection. Photos are also required for any full sized van inside and out. If photos are not received same day via our software system, the policy will be set for cancellation.
- 1.5. Any driver with a foreign driver's license, Matricula Consular, foreign passport, Permanent Resident Card, Voter Card or (EFIN), or Visa, must provide the ID(s) to the agent at the time of inception. Only ID(s) with a photo will be accepted. The agent must make a copy of the provided ID(s) and submit to us by fax or scan at policy inception. If not received with the paperwork on the same day the policy will NOT be bound.

- 1.6. All vehicles and drivers must meet the underwriting guidelines in order to be considered for coverage.

2. POLICY TERM / PAYMENT OPTIONS

- 2.1. Annual Savings policies are issued for a twelve month term. Enhanced, Bravo and Select policies are issued for a six month term. Zoom policies are issued for a one month term.
- 2.2. Payment options include paid in full or an installment billing plan.
- 2.3. Each payment option includes a fee per vehicle for the Texas Motor Vehicle Crime Prevention Authority. The fee amount will be equivalent to the amount charged to us by the state of Texas.
- 2.4. Payment Plans
 - 2.4.1. Payment plan option details are made available via our website.

3. UNACCEPTABLE RISKS

The Company reserves the right to accept, reject, request modification and make final underwriting decisions on all applications. Below is a general list of the risks not written; however, a combination of factors may cause some applications to be unacceptable even though not specifically mentioned in these guidelines. The company will accept a vehicle / driver ratio of 1 more vehicle than drivers. For example: 4 cars/3 drivers are acceptable, but 4 cars/2 drivers are not.

If any of these risks are endorsed onto an existing policy, an unacceptable risk surcharge will apply, and the policy will be cancelled or non-renewed at the first opportunity in accordance with state law.

3.1. DRIVERS

- 3.1.1. Any operator with the following types of Driver's License:

Driver License Type:	Zoom	Enhanced	Annual Savings	Bravo	Select
Valid US Driver’s License	Accept	Accept	Accept	Accept	Accept
Foreign Driver’s License	Accept	Accept	Accept	Accept	Prohibited
Matricula	Accept	Accept	Accept	Accept	Prohibited
Foreign Passport	Accept	Accept	Accept	Accept	Prohibited
Permanent Resident Card	Accept	Accept	Accept	Accept	Prohibited
Voter Card or (EFIN)	Accept	Accept	Accept	Accept	Prohibited
Visa	Accept	Accept	Accept	Accept	Prohibited

- 3.1.2. Any operator who is not a resident of Texas. We will accept a valid out of state driver’s license.
- 3.1.3. Operators with suspended drivers licenses, revoked drivers licenses or occupational driver’s license, unless filing an SR-22.
- 3.1.4. Any operator under the age of 16.
- 3.1.5. Any operator who lives or works in Mexico.
- 3.1.6. Migratory risks, including transient and seasonal workers.
- 3.1.7. All entertainers, athletes, celebrities or any professional individual who is nationally or locally well known to a large segment of the population.
- 3.1.8. A driver that has developed more than:
 - 7 points for Select and Bravo policies.
 - 10 points for Annual Savings, Enhanced and Zoom policies.
- 3.1.9. A policy that has developed more than:
 - 10 points for Select and Bravo
 - 15 points for Annual Savings, Enhanced and Zoom.
- 3.1.10. Students residing and/or attending school in a state other than Texas.
- 3.1.11. If the insured moves out of the state during the policy period. The policy will be cancelled using the pro-rate method.
- 3.1.12. A driver with one (1) or more Major Violations that are not chargeable with points.

- 3.1.13 A driver with two (2) or more Intermediate Violations that are not chargeable with points.
- 3.1.14 A driver with three (3) or more Minor Violations (including Speeding violations) that are not chargeable with points.

3.2. VEHICLES

- 3.2.1. Any vehicle used for business use of any kind. Including but not limited to: mobile services, sales, wholesale or retail delivery, emergency vehicles, carpentry, HVAC, electricians and electrical contracting, plaster, drywall, masonry, tile and marble work, plumbing, floor laying, glass work, landscaping, pest control, roofing, painting, or any vehicle owned or leased by a business(sole proprietor, partnership, LLC or corporation).
- 3.2.2. Any vehicle not garaged in Texas.
- 3.2.3. Any vehicle with a GVW (Gross Vehicle Weight) of greater than 10,000 lbs.
- 3.2.4. Vehicles with less or more than four wheels.
- 3.2.5. Vehicles used for racing or speed contests.
- 3.2.6. Vehicles principally constructed of fiberglass, custom crafted bodies or kit car
- 3.2.7. Vehicles titled to other than the named insured or persons named on the application.
- 3.2.8. Vehicles with a current value in excess of \$50,000.
- 3.2.9. Recreational vehicles.
- 3.2.10. Rare, classic, vintage type vehicles.
- 3.2.11. For a list of unacceptable vehicles go to www.alinscoagents.com/prohibited-vehicles
- 3.2.12. Vehicles with permanent or removable business-solicitation logos or advertising.
- 3.2.13. Any vehicle with an engine with 500 or more horsepower, or with a power equivalent to 500 or more horsepower.

3.3. COVERAGES

- 3.3.1. OTC and collision coverage cannot be written on vehicles over 20 years old.
- 3.3.2. OTC and collision coverage cannot be written without liability.
- 3.3.3. Vehicles with Uninsured/Underinsured Motorist Coverage and Personal Injury Protection must have two current photos taken at the time of request for coverage, including vehicles added midterm where Uninsured/Underinsured Motorist Coverage and Personal Injury Protection are requested.
- 3.3.4. OTC and collision coverage are not available separately.

4. ENDORSEMENTS

- 4.1. Endorsements must be uploaded to be effective immediately. Coverage will be bound by the Company at the latter of the exact date and time the endorsement is signed and dated by both the applicant and agent or the recorded company system date and time the endorsement is uploaded.
- 4.2. Endorsements are required to be processed in the Alinsco software system. Additional signed paperwork may be required and must have completed the electronic signature process. The insured must click, sign and complete the entire e-signature process. The insured signatures may not be completed by the agent, or agent representative. Faxed and/or mailed endorsements are not acceptable. If the agent does not process the endorsement in the Alinsco software system, the agent assumes the risk as the endorsement has not been properly processed.
- 4.3. An Unacceptable Risk Surcharge will be assessed on the liability, OTC, and collision coverage if, during the policy term an unacceptable vehicle or driver is added to the policy.
- 4.4. If an insured vehicle's principle garaging address or primary area of operation is moved outside of Texas, or if the insured moves their residence outside the state of Texas during the term of the policy, the policy will receive an Unacceptable Risk Surcharge.
- 4.5. Endorsements will not be processed without proper documentation and any additional premium.

5. RENEWALS

- 5.1. Renewal offers will be sent prior to expiration and non-renewal notices will be sent 60 days prior to the policy anniversary. To be renewed with no lapse in coverage, premium payment must be received or uploaded BEFORE the expiration date.
- 5.2. The twelve month, six month or one month renewal can be paid in full or in an installment billing plan, both of which includes a fee per vehicle for the Texas Motor Vehicle Crime Prevention Authority.
- 5.3. If a renewal payment is received or uploaded within 30 days after the expiration date, the policy will be renewed with a lapse in coverage and will be subject to the rates in effect at time coverage is afforded. After 30 days, a new application is required.

6. CANCELLATIONS

- 6.1. All cancellation requests by the insured must be in writing and signed by the named insured. The effective date of the cancellation may not be earlier than the date the cancellation request is received by Alinsco unless duplicate coverage has been verified.
- 6.2. Flat cancellations are not permitted after inception of the policy, except for insufficient funds on the initial down payment and the renewal payment.
- 6.3. If cancellation is requested due to duplicate coverage, a copy of the declaration page from the replacement insurance carrier indicating the effective date is required.
- 6.4. All other cancellation premiums will be calculated on a pro-rata basis.

7. REINSTATEMENTS

- 7.1. Reinstatement eligibility is available thru the Alinsco software system and the Alinsco required “No Loss” form must be completed thru the electronic signature process. The insured must click, sign and complete the entire e-signature process. The insured signatures may not be completed by the agent, or agent representative. If the policy is not eligible for reinstatement the system will inform you, and you may call Underwriting for further details.
- 7.2. Cancellations for non-payment will be considered for reinstatement only if the amount past due is paid and the required “No Loss” form is completed thru the electronic signature process.

- 7.3. A new application must be submitted to re-start coverage on any denied reinstatement request.
- 7.4. Policies that are cancelled for a lack of information or underwriting reasons may only be considered for reinstatement if the information or underwriting reason for cancellation is remedied and any past due amounts are paid.

8. SR22'S

- 8.1. Alinsco Insurance is not responsible for any delays or lack of processing of the SR22 and/or reinstatement of a driver's license.
- 8.2. The Agent should make the insured aware that it is the applicant's responsibility to make sure the filing fees are sent to the Texas Department of Public Safety directly and that the license is reinstated.
- 8.3. It is the agent's responsibility to advise their insured not to drive until the Texas Department of Public Safety has notified them that their driver's license has been reinstated.
- 8.4. A fee will be charged for the SR22 filing.
- 8.5. An SR22 filing can only be made in the state of Texas.
- 8.6. NO SR22A FILINGS ARE ALLOWED.

9. NAMED DRIVER EXCLUSIONS

- 9.1. The named driver exclusion (515A) form must be completed thru the electronic signature process during the binding process for new business and/or when processing an endorsement if applicable. The insured must click, sign and complete the entire e-signature process. The insured signatures may not be completed by the agent, or agent representative.
- 9.2. The exclusion must be completed for any family member, person to whom the vehicle is regularly available, or any resident of the household who is over 13 years old and is not listed as a driver on the policy.
- 9.3. Driver exclusion is permitted on a spouse if the named insured provides valid proof of marriage. If proof is not provided, the named insured will be rated as single. We recognize common law marriage with proof such as a joint checking account, common title to vehicles or residence, or submission of our Certificate of Common Law Form.

10. DISCOUNTS

All discounts given on a specific vehicle or policy will be applied to the appropriate coverages. If the proof of eligibility for a specific discount is received after the policy is issued, the discount will be applied on a pro-rata basis.

10.1. PRIOR INSURANCE DISCOUNT

A prior insurance discount will be applied in the six-month or twelve-month term products, if the insured is able to provide supporting documents of a minimum of six months continuous coverage, from a company other than Alinsco Insurance, immediately preceding this policy with no more than 30 days lapse in coverage. An exception can be made with supporting documents provided that the insured has not been operating an uninsured motor vehicle for more than 30 days over the past 12 months.

The following documentation is acceptable for proof of prior coverage:

1. Declarations Page
2. Renewal offer or Non-Renewal offer
3. Company generated ID Card
11. Letter of Experience on prior carrier letterhead

10.2. MULTI-CAR DISCOUNT

A multi-car discount will be applied on policies with more than one vehicle.

10.3. PREFERRED DRIVER DISCOUNT

A preferred driver discount will be provided in the six-month or twelve-month term products to any driver over the age of 24 that has been claims-free and at-fault accident-free for the preceding 36 month period. For purposes of this discount, a claim is defined as any payable claim or paid claim over \$500.

10.4. FULL DISCLOSURE DISCOUNT

All applicants in the six-month or twelve-month term products proclaiming full and complete disclosure on the application will be awarded a full disclosure discount. This includes full and complete disclosure of all information on the application including, but not limited to driving experience, claims history, prior insurance, and listing or excluding all household/family members.

10.5. IN AGENCY DISCOUNT

To qualify for this discount the insured must qualify for the Prior Insurance Discount and be a current customer of the same retail agency originating the new business application.

10.6. EFT DISCOUNT (Electronic Funds Transfer)

A discount is provided for insureds that have their premium payments deducted automatically and electronically from a checking, savings, or credit card account. The agent must complete the on-line EFT form that will approve the transaction, and the applicant must sign the EFT Form and submit it to us. Unapproved transactions can be submitted for review with a signed EFT form and a copy of a voided check submitted to us.

10.7. HOMEOWNER DISCOUNT

10.6.1. A homeowner discount will be provided in the six-month or twelve-month term products if the named insured owns his/her home. A copy of a homeowner's declaration page or a tax statement with named insured as owner is acceptable proof.

10.6.2. A home can be described as a house, condominium, duplex, town home, or mobile home in which the named insured resides.

10.8. ADVANCE QUOTE DISCOUNT

A discount is provided for insureds in the six-month or twelve-month term products that have their policy quoted and issued prior to the date the policy is effective. To qualify for this discount the insured must qualify for the Prior Insurance Discount.

10.9 PAID IN FULL DISCOUNT

A Paid-in-Full Discount will be applied to policies with a policy term of 6 months or greater that have had their entire policy term premium paid in full by the named insured on or before the beginning of that policy term's inception date. This discount cannot be combined with the EFT Discount.

10.10 CLAIM-FREE/RENEWAL DISCOUNT

A Claim-Free/Renewal Discount will be applied to policies with a policy term of 1 month that have been claim-free in their previous five (5) monthly terms with Alinsco. For purposes of this discount, a claim is defined as any payable claim or paid claim over \$500 for the policy. This discount does not apply to policies that have 6 or 12 month terms.

11. DRIVER SURCHARGES

Points will be based on the number of incidents on each operator. Include all incidents – whether violations, convictions, or accidents – resulting from the use of any vehicle during the preceding 36 months. Incidents will be assigned by the rating software to the appropriate category.

The maximum points allowed are: 7 points for a driver, 10 points for a policy on Bravo and Select policies.

The maximum points allowed are: 10 points for a driver, 15 points for a policy on Annual Savings, Enhanced and Zoom policies.

All moving violations that result from a single incident will be considered.

Violations / Points Table	When Chargeable With Points	When NOT Chargeable With Points
Major Violations – 1 st Major Violations – 2 nd & subsequent	6 Ineligible	Ineligible Ineligible
Driving While Intoxicated – 1 st Driving While Intoxicated – 2 nd & subsequent	6 Ineligible	N/A N/A
At Fault Accidents – 1 st At Fault Accidents – 2 nd At Fault Accidents – 3 rd & subsequent	3 4 Ineligible	N/A N/A N/A
Intermediate Violations – 1 st Intermediate Violations – 2 nd Intermediate Violations – 3 rd & subsequent	3 4 Ineligible	0 Ineligible Ineligible
Minor Violations & Speeding – 1 st Minor Violations & Speeding – 2 nd Minor Violations & Speeding – 3 rd & subsequent	N/A N/A N/A	0 0 Ineligible
Unverifiable Driving Record	5	N/A

11.1 INEXPERIENCED OPERATOR SURCHARGE

Surcharge will apply to any driver over 19 years of age with less than 36 months driving experience.

11.2 INTERNATIONAL DRIVER SURCHARGE

Surcharge will apply to any driver that does not have a valid U.S. driver's license.

12. DRIVER ASSIGNMENT

Policy rate is determined by assigning the highest rated driver to the highest rated vehicle and the second highest rated driver to the second highest rated vehicle, etc.

13. COVERAGES

13.1. LIABILITY

Basic Bodily Injury/Property Damage coverage is offered at limits of

BI	PD
<hr/>	<hr/>
30,000/60,000	25,000

13.2. OTC / COLLISION – Not Available for Zoom Policies.

13.2.1. In determining the premium for OTC and collision coverage, standard industry symbols (ISO) are used. A complete vehicle identification number (VIN) must be included on the application.

13.2.2. An Unacceptable Risk Surcharge will be applied to OTC and Collision premiums if OTC and collision coverage is requested on a vehicle with a current value in excess of \$50,000.

13.3. UNINSURED/UNDERINSURED MOTORIST

13.3.1. Uninsured/Underinsured Motorist Bodily Injury coverage is written at limits of:

Basic Uninsured/Underinsured Motorist Bodily Injury/Property Damage coverage is offered at limits of:

UM/UIM BI	UM/UIM PD
<hr/>	<hr/>
30,000/60,000	25,000

A \$250 deductible applies to the UMPD/UIMPD limit.

- 13.3.2. UM/UIM may be rejected in its entirety or the insured may elect to reject only the UMPD/UIMPD portion of the coverage. If the insured elects to reject all or part of the coverage, a rejection must be signed by the named insured or the coverage will be added to the policy and the applicable premium will be charged.
- 13.3.3. If UM/UIMBI an UMPD/UIMPD are selected on one vehicle, all other vehicles on a multi-car policy must have the coverage.
- 13.3.4 All vehicles that have UM/UIMBI must have two current photos taken the day of the application and submitted with the application or endorsement. Do not include UM/UIMBI on any vehicle until photos are completed.

13.4. PERSONAL INJURY PROTECTION

- 13.4.1 Personal Injury Protection is available at a \$2,500.00 limit. If the insured elects to reject the coverage, a rejection must be signed or the coverage will be added to the policy and the applicable premium will be charged. If Personal Injury Protection is selected on one vehicle, all other vehicles on a multi-car policy must have the coverage.
- 13.4.2 All vehicles that have PIP must have two current photos taken the day of the application and submitted with the application or endorsement. Do not include PIP on any vehicle until photos are completed.

13.5. MEDICAL PAYMENTS

Medical Payments may only be written with a limit of \$500.00. If medical payments coverage is written on one vehicle, all vehicles on a multi-car policy must have the coverage. Medical Payments coverage cannot be written if Personal Injury Protection coverage has been selected.

13.6. TOWING AND LABOR

Towing and Labor is an optional coverage with an additional premium charge. Towing and labor coverage can only be written on a vehicle that has OTC and collision coverage. Coverage is a subject to maximum of \$100 per disablement.

13.7. RENTAL REIMBURSEMENT

Rental Reimbursement is an optional coverage with an additional premium charge. Rental reimbursement coverage can only be written on a vehicle that has OTC and collision coverage. There is a maximum of \$40/day coverage with a \$1200 maximum per occurrence.

13.8 MEXICO COVERAGE

Mexico coverage pursuant to endorsement 551 - is included only on Zoom policies. In some cases the coverage under this policy may NOT be recognized by Mexican authorities and the company may not be allowed to implement this coverage in Mexico. You should ask the insured to consider purchasing auto coverage from a licensed Mexican Insurance Company before driving in Mexico. This coverage does not apply to trips into Mexico that exceed 25 miles from the boundary of the United States of America.

14. VEHICLE SURCHARGES

14.1. SPECIAL RISK VEHICLES - certain special risk vehicles will receive a surcharge on liability, OTC, and or collision premiums.

15. SEVERE WEATHER PROCEDURES

All submissions for new business and endorsements on existing policies that have an effect of increasing the company’s exposure are suspended from the time the National Weather Service issues a “watch” or “warning” related to any type of weather event. This suspension is applicable within 100 miles of the “watch” or “warning” area. Normal submission activity will be reinstated 24 hours after the “watch” and/or “warning” is lifted by the National Weather Service. It is the agent’s responsibility to be aware of all “watch” and “warning” issuance in their region. Alinsco does not have the responsibility to advise agents on weather events.

16. UNDERWRITING QUALIFYING QUESTIONS

Alinsco asks the following questions of an applicant prior to binding a policy. The applicant’s answers determine whether they are, or are not an acceptable risk for this program:

Underwriting Questions	Acceptable	Not Acceptable
ARE ALL HOUSEHOLD MEMBERS ATTENDING SCHOOL LISTED OR EXCLUDED?	Yes	No

ARE ALL HOUSEHOLD MEMBERS OVER 13 LISTED OR EXCLUDED?	Yes	No
DO YOU OWN YOUR OWN HOME?	Yes/No	
HAVE YOU FULLY DISCLOSED ALL INFORMATION PERTAINING TO CLAIMS, VIOLATIONS, VEHICLES AND DRIVERS OVER THE LAST 3 YEARS?	Yes	No
ARE ALL VEHICLES GARAGED AND DO ALL DRIVERS RESIDE AT THIS ADDRESS?	Yes	No
ARE ALL VEHICLES REGISTERED TO PERSONS LISTED ON THE APPLICATION?	Yes	No
ARE ANY VEHICLES USED FOR BUSINESS USE OF ANY KIND?	No	Yes
DOES ANY VEHICLE HAVE ADDITIONAL OR NON FACTORY INSTALLED EQUIPMENT? PLEASE NOTE WE DO NOT COVER CUSTOM EQUIPMENT.	Yes/No - No Coverage	
DOES ANY VEHICLE HAVE MORE THAN FOUR WHEELS (DUALLIES)?	No	Yes
IS ANY VEHICLE AN ANTIQUE OR CLASSIC?	No	Yes
HAS ANY DRIVER HAD A VEHICLE STOLEN IN THE LAST 5 YEARS?	Yes/No	
DOES ANY DRIVER, NOT APPLYING FOR AN SR-22, HAVE A SUSPENDED, REVOKED, EXPIRED, DENIED OR OCCUPATIONAL DRIVERS LICENSE?	No	Yes

17. AMENDATORY POLICY ENDORSEMENTS

- 17.1.1. This program utilizes amendatory endorsements approved by the Texas Department of Insurance that contain more limited coverage than the Texas Standard Personal Automobile Policy, as allowed by the Texas Legislature on June 11, 2003. The amendatory endorsements utilized are.

Amendatory Endorsement:	Zoom	Enhanced	Annual Savings	Bravo	Select
AIC.PhysDam.001	-	X	-	-	-
AIC.Storage.004	-	X	X	X	-
AIC.DelFee.005	X	X	-	-	-
AIC.ContLiab.006	X	X	X	-	-
AIC.AutoTerm.007	X	X	X	-	-
AIC.OutOfState.016	X	X	X	-	-
AIC.RentProp-NOAuto.019	X	X	-	-	-
AIC.DblDeduct.022		X		X	

- 17.1.2. The agent must explain the policy features and limitation disclosure to the consumer and have the applicant sign the “Policy Features and Limitations Disclosure” that prints with the application.

18. CLAIMS

All claims should be reported directly to the company as soon as possible through the Alinsco mobile app or website, or by telephone to **1-877-437-5007**. The agent is not to discuss any claims related item with the insured or the claimant. If an agent chooses to discuss the loss, the agent assumes responsibility for payment of the loss. The agent is not licensed to manage claims and is not a representative of the Alinsco claims department. The agent has no authority to discuss, review, coach, advise, or determine coverage for a claim.