Table of Contents

Contact Information .................................................................................................................. 1
Unacceptable Risks .................................................................................................................. 2
Coverages / Options ............................................................................................................... 5
Discounts ................................................................................................................................. 11
Surcharges ............................................................................................................................... 14
Quote Information .................................................................................................................. 15
Transaction Guidelines ......................................................................................................... 21
Billing, Payments, and Fees .................................................................................................. 24
Document Retention and Audit Requirements ....................................................................... 25
Contact Information

Customer Service ........ Click “Talk Now” from the Policy Summary screen or call 1-877-325-7727
Fax Number .......................................................................................................................... 1-877-849-9022
Online Service ..................................................................................................................... www.nationalgeneral.com
Your customers can:
✓ View driver, vehicle, and coverage information ✓ Make a payment ✓ Request an ID Card
eAgency ................................................................................................................................ www.natgenagency.com
Report a new Claim (Available 24/7).................................................................................. 1-800-468-3466
Discuss a Pending Claim...................................................................................................... 1-888-233-4575

Addresses
Correspondence
National General Insurance
PO Box 3199
Winston-Salem, NC 27102-3199

Payments
National General Insurance
PO Box 1020
Winston Salem, NC 27102-1020
Unacceptable Risks

Multiple National General Insurance policies in the same household are unacceptable — unless:

- A child owns their own vehicle or
- Unrelated residents/roommates are living in the same household.

The named insured should have an interest in the vehicle(s) being insured. If the policy has Physical Damage coverage, the vehicle owner should be listed on the application.

**Note:** For households with policies from multiple insurance carriers, the household members who do not have a National General Insurance policy should be listed on the National General Insurance policy as “Other Insurance.”

Unacceptable Operators

The following drivers are ineligible for coverage:

- Driver or household member convicted of insurance fraud or felony use of auto.
- Spouses living in separate households.
- Primary named insured with a foreign/international driver license, or learner permit, or junior driver license.
- Any operator for which we cannot obtain an MVR.
- Any operator who has 15 or more points.
- Any operator with a revoked driver license.
- Any entertainer, celebrity, professional athlete, or other national known person.
Unacceptable Vehicles
The following vehicles are not eligible for coverage:

- Vehicles not garaged in New York a minimum of ten months out of a year.
  *Note:* For fulltime students and military personnel, vehicles not garaged in the principal state are acceptable provided at least one vehicle is garaged in the state the policy was written.

- Vehicles without a valid United States garaging ZIP Code.

- Vehicles garaged principally in the District of Columbia, Hawaii, Massachusetts, Michigan, or New Jersey or outside the United States.

- Vehicles that do not have a title or not licensed for road use.

- Kit cars and dune buggies.

- Flatbed trucks, stake trucks, dump trucks, cutaway vans, and all other commercial type trucks.

- Vehicles leased or rented to other drivers by the named insured.

- Vehicles regularly available to an unlisted operator.

- Vehicles insured for stated amount.

- Vehicles with altered suspension with a lift kit greater than four inches, vehicles with a modified engine, or vehicles with one-of-a-kind paint job.

- Vehicles with a Business Use or Artisan Use and:
  - Driven by employees
  - Not owned by the named insured or spouse
  - Vehicle type is motorhome, van conversion, trailer, camper, utility, bus conversion, semi, or cabriolet.

- Vehicles used for Artisan Use and visits more than two job sites a day.

- More than one Artisan Use vehicle on the policy.

- Vehicles used for the following: emergency; racing; livery; delivery/pick up of goods (including, but not limited to, magazines, newspaper, and pizza delivery); limousine or taxi service; hauling explosives.

- Postal unit or right-hand drive vehicles.

- Non-RV type vehicles equipped with cooking equipment or bathroom.

- Vehicles equipped with snow removal equipment. No exceptions — even for personal use on private property.

- Vehicles that have unrepaired damage.

- Vehicles with a load capacity greater than one ton — **unless** there is a non-self-propelled RV-type vehicle on the policy.

- Purely electric vehicles with the exception of Chevy Volt and Nissan Leaf.
  *Note:* Additional electric vehicles may be acceptable in the future.

- Gray market vehicles.

- Vehicles with Original Cost New (OCN) greater than $150,000.00.
- Any make/model listed below:

<table>
<thead>
<tr>
<th>Make</th>
<th>Model</th>
<th>Make</th>
<th>Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARO</td>
<td>All Models</td>
<td>Laforza</td>
<td>PSV-L4</td>
</tr>
<tr>
<td>Aston Martin</td>
<td>All Models</td>
<td>Lamborghini</td>
<td>All Models</td>
</tr>
<tr>
<td>Audi</td>
<td>8, RS6, Quattro</td>
<td>Lexus</td>
<td>LFA</td>
</tr>
<tr>
<td>Avanti</td>
<td>All Models</td>
<td>Lotus</td>
<td>All Models (except Elise)</td>
</tr>
<tr>
<td>Bentley</td>
<td>All Models</td>
<td>Maserati</td>
<td>All Models</td>
</tr>
<tr>
<td>BMW</td>
<td>8, Z8</td>
<td>Maybach</td>
<td>All Models</td>
</tr>
<tr>
<td>Bricklin</td>
<td>All Models</td>
<td>McClaren</td>
<td>All Models</td>
</tr>
<tr>
<td>Bugatti</td>
<td>All Models</td>
<td>Mercedes</td>
<td>B F-CELL, CL63 AMG, CL65 AMG, CL600, SL600, SL63 AMG, SL65 AMG, S63 AMG, S65 AMG, S600, SLR, SLR McLaren, SLS AMG</td>
</tr>
<tr>
<td>Cadillac</td>
<td>All Hearses and Limousines</td>
<td>Morgan</td>
<td>All Models</td>
</tr>
<tr>
<td>Callaway</td>
<td>C12</td>
<td>Mosler</td>
<td>All Models</td>
</tr>
<tr>
<td>Checker</td>
<td>All Models</td>
<td>Nissan</td>
<td>All Stillen Z Models</td>
</tr>
<tr>
<td>Chevrolet</td>
<td>Lingenfelter, Hammer, and Mallet Corvettes; Grummans</td>
<td>Panoz</td>
<td>All Models</td>
</tr>
<tr>
<td>Chrysler</td>
<td>All Limousines</td>
<td>Pantera</td>
<td>All Models</td>
</tr>
<tr>
<td>Delorean</td>
<td>All Models</td>
<td>Pontiac</td>
<td>Lingenfelter Trans Am</td>
</tr>
<tr>
<td>Dinan</td>
<td>All Models</td>
<td>Porsche</td>
<td>All Turbos, All Ruf Models, 911 GT2 RS, 911 GT3 RS, Carrera GT</td>
</tr>
<tr>
<td>Dodge</td>
<td>Shelby Durango</td>
<td>Rolls Royce</td>
<td>All Models</td>
</tr>
<tr>
<td>Electric (Pure) Vehicles</td>
<td>All Makes/Models (except Chevy Volt and Nissan Leaf)</td>
<td>Roush</td>
<td>All Roush Mustangs</td>
</tr>
<tr>
<td>Ferrari</td>
<td>All Models</td>
<td>Ruf</td>
<td>All Models</td>
</tr>
<tr>
<td>Ford</td>
<td>All Saleen Mustangs, Ford GT</td>
<td>Saleen</td>
<td>All Models</td>
</tr>
<tr>
<td>GEM</td>
<td>All Models</td>
<td>Shelby</td>
<td>Cobras and Series 1</td>
</tr>
<tr>
<td>Hennessey</td>
<td>All Viper Models</td>
<td>Smart Cars</td>
<td>All Models (except Fortwo)</td>
</tr>
<tr>
<td>Honda</td>
<td>EV, FCX</td>
<td>Spyker</td>
<td>All Models</td>
</tr>
<tr>
<td>Hummer/American General</td>
<td>H1, Humvee</td>
<td>Toyota</td>
<td>All HKS Enhanced Supra Turbos</td>
</tr>
<tr>
<td>Jensen</td>
<td>All Models</td>
<td>Vector</td>
<td>All Models</td>
</tr>
<tr>
<td>Lada</td>
<td>All Models</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Coverages / Options
The system automatically displays available coverage limits.

Liability (Bodily Injury / Property Damage)
- Limits must be same for all vehicles on policy or same as separate policies for persons residing in the same household.
- Required on all vehicles on policy that are not in storage or non-self propelled RV types.
- Required on named non-owner policies.
- Bodily Injury limits on out-of-state risks must meet or exceed minimum limits of that state.

Personal Injury Protection (PIP)
- Required on all vehicles with Bodily Injury and Property Damage coverages.
- Limits must be same for all vehicles on policy.
- Only available on policies with Bodily Injury and Property Damage coverages.
- The following PIP coverage is available:
  - **Mandatory Personal Injury Protection**: Provides coverage for basic economic loss with a limit of $50,000.00 — including medical expenses, loss of earnings from work up to $2,000.00 per month, and up to $25.00 per day for all other reasonable and necessary expenses incurred.
  - **Out-of-State Extension of Coverage**: Provides coverage with same limits as Mandatory PIP to guest occupants:
    - Who are not residents of the state of New York or
    - Who are residents of the state of New York while in any vehicle (other than a public or livery vehicle) other than the covered vehicle when that vehicle is operated by the named insured or any relative.
  - **Full Additional Coverage**: Includes the Out-of-State Extension and extends coverage to a limit of $100,000.00 — loss of earnings from work up to $4,000.00 per month and up to $50.00 per day for all other reasonable and necessary expenses.
  - **Optional Basic Economic Loss (OBEL) Coverage**: Provides an additional $25,000.00 in coverage. This coverage may be applied to (1) basic economic loss; (2) loss of earnings from work; (3) psychiatric, physical, or occupational therapy and rehabilitation; or (4) a combination of (2) and (3). This coverage must be rejected in writing by the named insured or the coverage will be added.

Medical Payments
- An optional coverage that pays for medical and funeral expenses incurred by the insured, family members, and passengers as a result of an auto accident — regardless of fault.
- If selected, limits must be same for all vehicles on policy.
Uninsured Motorist Bodily Injury

- Mandatory coverage that must equal the state of New York minimum limits when the policy has Liability coverage.
- Only covers accidents that occur in the state of New York.
- Only available at minimum limits. Insureds who want higher limits and out-of-state coverage can purchase Supplementary Uninsured Motorist (SUM).
- Only available on policies with Bodily Injury/Property Damage coverages.
- Limits must be same for all vehicles on policy.
- Limits cannot exceed Bodily Injury and Property Damage limits.

Comprehensive and Collision

- Comprehensive coverage is required on vehicles with a loss payee.
- Comprehensive coverage is required on vehicles in storage.
- Comprehensive coverage is required on all vehicles with Collision, Rental Reimbursement, Towing & Labor, Additional Customized Equipment and Parts.
- Comprehensive and Collision coverages are required on all vehicles with Diminishing Deductible coverage.
- Collision coverage is required on vehicles with a loss payee — unless the vehicle is a recreational vehicle in storage.
- Vehicles with model years 1980 and older are not eligible for Comprehensive and/or Collision coverages.
- Vehicles on a multi-car policy may have different deductibles.
- Comprehensive coverage can be purchased without Collision, but Collision cannot be purchased without Comprehensive. The policyholder must provide proof of Liability coverage with another carrier or plate return receipt (FS-6) in order to remove Liability coverage from a National General Insurance policy. If Liability coverage is removed, the vehicle will be surcharged on Comprehensive and Collision coverages.
- When Comprehensive or Collision coverage is purchased and the vehicle model year is less than seven years old from the current calendar year or meets other inspection waivable criteria, a vehicle inspection is required.

Rental Reimbursement

- Optional coverage that pays for rental expenses incurred when there is a loss to a covered vehicle.

Towing & Labor

- Optional coverage that reimburses the insured for each disablement on a covered vehicle subject to a maximum limit for each policy term.
- May be purchased for any vehicle with Comprehensive coverage.
Additional Customized Equipment and Parts (ACEP)

- Provides physical damage protection for any permanently installed add-on equipment that was not installed by the original automobile manufacturer and may be purchased for any vehicle covered by Comprehensive.

- $1,000.00 of ACEP coverage is included at no additional premium on all vehicles with Physical Damage coverage. An additional $4,000.00 in actual cash value may be purchased for a maximum total of $5,000.00.

- Coverage is provided up to the lesser of actual cash value, actual cost to repair, or declared value.

- Before ACEP coverage applies to additional equipment, the equipment must be listed on the application and the proper premium paid.

New Car Replacement Cost

- Pays the cost to replace a new vehicle when there is a comprehensive or collision total loss — including theft.

- Coverage is only available when the insured vehicle:
  - Has Comprehensive, Collision, and Comprehensive Replacement Cost coverages
  - Is a PPA model year that is two years old or less from the current calendar year or an RV model year that is four years or less from the current calendar year
  - Has not been previously titled
  - Is insured with Comprehensive and Collision Replacement Cost coverage within the first year of ownership.

- Deductible must be same deductible as Comprehensive/Collision.

- If the covered vehicle is a total loss, National General Insurance reserves the right to replace the vehicle or to pay the total loss in money.
  
  Replacement cost is the current amount that must be paid for a new vehicle — same model year, make, model, and equipment as the covered vehicle — without adjustment for depreciation.

- Coverage will be removed on the first renewal after a PPA-type vehicle becomes three years old and after an RV-type vehicle becomes three years old.

Original Equipment Manufacturer (OEM)

- Original Equipment Manufacturer (OEM) is available on vehicles that are less than 11 years old.

- When used for the repair of a covered vehicle, National General Insurance will specify the use of parts that are made by the original equipment manufacturer.

- When used for the repair of a non-owned vehicle, National General Insurance may specify the use of mechanical, non-safety-related parts not made by the original manufacturer. These parts will be at least equal in terms of fit, quality, performance, and warranty to the original manufacturer parts they replace.

- May be purchased for any vehicle with Comprehensive and Collision coverages.

- Selected Comprehensive and Collision deductible will apply.
**Accident Forgiveness**
Available when all rated drivers on the policy do not have any points.

The first at-fault accident will be forgiven. Rates will not be impacted by first accident. Subsequent at-fault accidents during the experience period will cause the endorsement to be removed and points will be charged for all accidents that occurred — including the first (forgiven) accident. Only one forgiven at-fault accident can be on a policy at any given time during the experience period.

**Note:** Non-chargeable accidents are not considered.

If insured requests to remove Accident Forgiveness coverage, any forgiven accident will be surcharged at renewal. If Accident Forgiveness is removed from a policy for eligibility reasons, it cannot be added back to the policy.

**Diminishing Deductible**
If the Diminishing Deductible policy option is chosen, every vehicle on the policy with Comprehensive and Collision coverages will have their respective Comprehensive/Collision deductibles reduced every claim-free year.

- For every claim-free year, a 25% Comprehensive/Collision deductible credit will be accrued and displayed on the Declarations Page.
  
  **Note:** The maximum deductible credit is 100%; however, based on New York Regulations, the Collision deductible amount cannot be lower than $100.00.

- When a Comprehensive/Collision claim is filed, the selected deductible shown on the Declarations Page is reduced by the total accrued deductible credit percentage. The deductible credit is reset to 0% if the paid loss is greater than $0.00 — regardless of fault.
  
  - Towing and labor only claims do not reset the deductible credit to 0%.
  
  - Any other claim (excluding Comprehensive/Collision Towing/Labor) will prevent earning another 25% deductible credit at the next annual anniversary.

- If the Comprehensive or Collision deductible is changed on any vehicle, the deductible credit is reset to 0%.

- If insured removes Comprehensive and Collision coverages and then later adds the coverages back to their policy, the credit balance is reset to 0% and the deductible period re-starts.

- If the insured removes Liability and Collision coverages and puts the vehicle into storage, the credit balance is not reset to 0%.

- The deductible credit does not apply when an undisclosed household operator is involved in the loss and the deductible credit is reset to 0%.
Mexico Coverage (RV Only)
- Provides Physical Damage coverage for any accident that occurs in Mexico.
- May be purchased for any vehicle with Comprehensive and Collision coverages.
- Repairs up to $750.00 can be performed in Mexico with prior written approval from National General Insurance.
- Liability insurance from a licensed Mexico insurance company must be in-force at the time of loss. Proof of coverage is required when a loss occurs.
  **Note:** National General Insurance has a partnership with International Insurance Group, Inc., which gives us more product options for our insureds who want to drive across the border into Mexico.
- Does not cover towing and labor or rental reimbursement.
  **Note:** If the covered vehicle cannot be driven as a result of a loss that occurred in Mexico, this coverage will pay the cost of necessary towing and labor to return the covered vehicle to the nearest point in the United States where repairs can be made.

Vacation Liability (RV Only)
RV Vacation Liability coverage adds Liability coverage for parked RVs — providing continuous Bodily Injury and Property Damage coverage up to $300,000.00 while an RV is on or off the road. It covers incidents that occur like “slip-and-falls” or campfire-related losses.
- Bodily Injury and Property Damage coverages are required if the RV is a motorhome.
- Not available on a Fulltimer policy.
- Coverage limits cannot be higher than Bodily Injury limits.
  **Note:** Not available for a trailer only policy or a motorhome in storage.
- Limits must be same for all RVs on policy

Agreed Value (RV Only)
When an insured’s motorhome is totaled or stolen, National General Insurance will pay the agreed upon value.
- An optional coverage.
- Only available for unique or highly customized motorhomes for which a Blue Book value cannot be obtained easily.
- Underwriting review is required on all vehicles with Agreed Value coverage and documentation may be required to verify vehicle type and value.
Consignment Coverage (RV Only)
Provides Comprehensive and Collision coverages for any RV or trailer that is parked for sale on an approved consignee dealership. The premium must be paid in full at the time the coverage is added to the policy and is fully earned.

Coverage is removed when:
- RV policy is not renewed.
- RV or trailer is sold.
- Policy terminates — e.g., cancellation, expiration, rescission.
- Approved consignment agreement with dealership ends.
- Insured terminates consignment agreement with dealership and takes possession of the RV or trailer.

If applicable, Consignment Coverage will carry forward to the renewal policy.

There is no premium refund if Consignment Coverage is removed or RV or trailer is sold.

Emergency Expense (RV Only)
- Coverage included for any RV with Comprehensive coverage.
- Provides reimbursement for certain expenses (e.g. lodging, transportation, and meals) up to a maximum of $750.00 when a covered RV becomes inoperable due to a collision or comprehensive loss more than 50 miles from the insured's home.
  
  **Note:** The 50-mile limit does not apply to Fulltimers; the coverage is applicable anywhere the Fulltimer is located.
- Higher limits of $1,500.00 and $3,000.00 are available. A limit of $7,500.00 is available to Fulltimers for an additional premium.

Full Time Protection (RV Only)
The Fulltimer Protection Plan is a special coverage designed to provide a homeowner-like package that includes Comprehensive Personal Liability (CPL) and Medical Payments. CPL pays for injuries sustained by — and damage to property of — others that the insured is legally liable for.

Low Cost Option (RV Only)
- Vehicle cannot be placed in storage.
- The standard first $3,000.00 of Personal Effects coverage is not provided. The option to buy up to $10,000.00 Personal Effects coverage is available.
- A $100.00 deductible applies to Personal Effects coverage and must be listed on policy.
- Changes the permanently attached/customized equipment and Personal Effects coverage from replacement cost to actual cash value subject to depreciation.

Personal Effects (RV Only)
Personal Effects coverage insures personal property used in conjunction with a Recreational Vehicle. In most states, personal effects are items that belong to the named insured or a family member that are not permanently attached to their RV — such as clothing, dishes, furniture, etc. In the event of a covered personal effects loss, Personal Effects coverage is primary and the homeowner or renter insurance is secondary.
Discounts
The system will automatically request proof documentation required to retain discount.

Anti-Lock Brakes
Applied when vehicle is equipped with factory installed 2-wheel or 4-wheel anti-lock braking system

Anti-Theft
- An active, passive, or recovery/tracking device anti-theft deterrent system. Vehicle Identification Number (VIN) is permanently etched in required areas on the vehicle's window glass.
- Cannot have a combination of VIN etch, passive anti-theft, and recovery/tracking device.

Commercial Driver License
Applied to any rated driver who has a valid, active commercial driver license.

Daytime Running Lights
Applied to each vehicle on a policy equipped with factory-installed daytime running lamps.

Defensive Driver
Applied when the principal driver of a vehicle has successfully completed a New York Department of Motor Vehicles approved Defensive Driver course within the prior 36 months. Successful completion of the course must be shown on the MVR or the dated certificate of completion must be provided.
Note: High School Driver Education courses are not acceptable for this discount.

GMAC Family
Applied when the named insured has one or more of the following:
- GMAC Mortgage
- GMAC Auto Loan
- GMAC Auto Lease
- GM Credit Card
- GMAC Demand Note or Smart Note
- GM Rewards Card
- GM Protection Plan.

Or the named insured is a:
- GM/GMAC Employee/Retiree
- GM Dealer Employee
- GM Supplier Employee
- GM Extended Family Member.

Homeowner
Applied when named insured or spouse owns the residence shown as the principal garaging location of all vehicles on the policy.
Note: Does not include mobile homes.
Mobile Homeowner
Applied when named insured or spouse owns the mobile home they reside in and the mobile home is ten years old or less.

Multi-Car
- Applied when a policy covers more than one PPA-type vehicle or one PPA-type vehicle with at least one self-propelled RV-type vehicle.
- All vehicles must be listed on the same policy and principally driven by persons living in the same household.
- Applied to all vehicles on policy.

Multi-Policy
Applied when an insured has more than one policy with National General Insurance.
Note: Currently, does not apply to Commercial Vehicle policies.

New Vehicle
Automatically applied to vehicles on a policy when the vehicle model year is in the current calendar year. The discount will be removed automatically at renewal when the vehicle model year is no longer in the current calendar year.

Occasional Operator
Applicable to qualifying rated drivers on a policy where the total number of rated drivers exceeds the total number of vehicles. In order to be eligible for the Occasional Operator discount:
- The driver must be under 21 years of age.
- The number of drivers on a policy receiving the Occasional Operator discount cannot be more than the number of excess drivers.
  Example: A policy with 3 cars and 4 drivers would have 1 excess driver; whereas a policy with 2 cars and 4 drivers would have 2 excess drivers.

Paid In Full
Applied to policy premium when 100% of the total premium is collected when the policy is bound.

Paperless
Applied at new business when the named insured chooses to receive policy documents electronically and provides and maintains a valid Internet e-mail address.
- If the insured endorses Paperless onto the policy mid-term, the discount will be applied effective the day the insured confirms their paperless preference.
- If the insured requests to receive policy documents by U.S. Postal Service, the discount will be removed.
- If the insured does not complete the self-service registration and accept the terms and conditions within seven days, all policy documents will be sent to the insured by the U.S. Postal Service using the address on their policy; the discount will be removed.
Passive Restraint
Applied when vehicle is equipped with a factory-installed occupant restraint only on the driver side or both driver and passenger sides.

RV Safety Course
Applied at the driver level for principally assigned drivers of RV-type vehicles where the driver has completed an approved RV safety course and can provide a certificate of completion.
Surcharge

Artisan Use
Applied when a private passenger vehicle is used to carry tools and incidental supplies from the insured’s home to a job site.

Unacceptable Artisan Use includes — but is not limited to — vehicles:
- Used in any form of pick up or delivery of goods
- Used to transport flammable liquids, chemicals, or explosive materials
- Owned by a corporation or partnership
- Used to visit more than two job sites per day
- Operated by someone other than the named insured or resident relative.

Only one Business Use or Artisan Use vehicle can be on a policy.

Business Use
Applied when a private passenger vehicle is used regularly or frequently for business errands or personal transportation related to the insured’s employment.

Unacceptable Business Use includes — but is not limited to — vehicles:
- Used for livery, taxi, or limousine or to transport children, workers, or hotel guests
- Used in any form of pickup or delivery of goods or property
- With a load capacity of one ton or greater.

Only one Business Use or Artisan Use vehicle can be on a policy.

Inexperienced Operator
- Applied to all drivers on a policy who have less than three years driving experience as a licensed driver.
  
  **Note:** Months of driving experience are rounded up — 11 months, 16+ days is considered 1 year; 2 years, 11 months, 16+ days is considered 3 years.
  
  - Learner permit, junior driver license, and foreign licenses do not count toward driving experience.
  - Multiple United States driver licenses can be added together for total driving experience.
Quote Information

Accidents and Violations

All violations and accidents must be listed on the application — regardless of fault.

Experience Period

Violations and accidents are charged if they have occurred during the prior three years ending on the last day of the fourth month preceding the policy effective date. The occurrence date is used for accidents and the conviction date for violations.

<table>
<thead>
<tr>
<th>Policy effective any day in the month of:</th>
<th>The 36-month chargeable experience period is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-13</td>
<td>09/01/2010 – 08/31/2013</td>
</tr>
<tr>
<td>Jan-14</td>
<td>10/01/2010 – 09/30/2013</td>
</tr>
<tr>
<td>Feb-14</td>
<td>11/01/2010 – 10/31/2013</td>
</tr>
<tr>
<td>Mar-14</td>
<td>12/01/2010 – 11/30/2013</td>
</tr>
<tr>
<td>Apr-14</td>
<td>01/01/2011 – 12/31/2013</td>
</tr>
<tr>
<td>May-14</td>
<td>02/01/2011 – 01/31/2014</td>
</tr>
<tr>
<td>Jun-14</td>
<td>03/01/2011 – 02/28/2014</td>
</tr>
<tr>
<td>Jul-14</td>
<td>04/01/2011 – 03/31/2014</td>
</tr>
<tr>
<td>Aug-14</td>
<td>05/01/2011 – 04/30/2014</td>
</tr>
<tr>
<td>Sep-14</td>
<td>06/01/2011 – 05/31/2014</td>
</tr>
<tr>
<td>Oct-14</td>
<td>07/01/2011 – 06/30/2014</td>
</tr>
<tr>
<td>Nov-14</td>
<td>08/01/2011 – 07/31/2014</td>
</tr>
<tr>
<td>Dec-14</td>
<td>09/01/2011 – 08/31/2014</td>
</tr>
</tbody>
</table>

Accident Threshold

<table>
<thead>
<tr>
<th>Threshold</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Threshold Incidents</td>
<td>$1.00</td>
</tr>
<tr>
<td>Comprehensive Coverage</td>
<td>$2,001.00</td>
</tr>
<tr>
<td>Property Damage</td>
<td>$2,001.00</td>
</tr>
<tr>
<td>Injury</td>
<td>$1.00</td>
</tr>
</tbody>
</table>

Not-at-Fault Accidents

All accidents are chargeable — unless proof of not-at-fault is provided. Acceptable proof of not-at-fault is:

- A copy of the police report or court documents clearly indicating not-at-fault.
- A letter from the previous carrier.

Keep these documents in your agency files.
**Insurance Score**
For applicants 18 years of age or older, National General Insurance will request credit information to develop an insurance score used in determining tier. To obtain the most accurate quote information, include applicant’s full name, current address, and social security number. Although an applicant is not required to provide their social security number, it helps determine a more accurate estimate. If an applicant has recently moved, prior address may be used.

No one will be denied coverage based on their credit history.

A customer can request a copy of their credit report by calling the credit reporting agency. Only the customer can request this information, it cannot be provided to the company or Agent.

**Vehicle History Rating**
A third party consumer report is obtained using the Vehicle Identification Number (VIN). A vehicle history score/code is assigned based on characteristics that are found in the consumer report and include, but are not limited to:
- Length of ownership
- Severity of damage (airbag deployment, frame damage, etc.)
- Other damage within three years
- Branded title, e.g., salvage, flood, junk, rebuilt.

**Lifetime Value Score**
A Lifetime Value Score is determined by a statistical model that produces a score group that ranges from 1 – 10. Predictor variables include, but are not limited to:
- Tier
- Number of drivers.
- Number of vehicles.
- Number of non-PPA vehicle types (e.g., RV, trailer, etc.).
- Full coverage or liability only policy.

**Insurance Experience**
A rating factor is applied based on the applicant’s insurance history, such as length of time insured, number of carriers, etc. The insurance history information is obtained from a third party consumer report.

If insurance history information cannot be obtained from a third party consumer report, a neutral rate is provided. Separate proof of insurance history is not acceptable for this discount.

**Underwriting Tiers**
National General Insurance competitively prices risks for all categories — from low risk to higher risk.

All risks are written in the lowest priced underwriting tier for which they qualify. Any risk submitted for a tier for which it does not qualify will be issued in the lowest tier for which it does qualify.

At the inception of the policy, National General Insurance considers factors for rating auto liability insurance. Those factors include, but are not limited to:
- Number of days since the prior policy lapsed
- Non-chargeable incidents
- Current Bodily Injury Liability limits
- Insurance score
- Vehicle scoring
- Geographic region.
**Proof of Prior**

If during the quoting process a hit is received on Current Carrier that validates prior company, prior coverage date, and prior limits, then POP is not required to be submitted.

If no hit is received on Current Carrier or Current Carrier only validates prior company and prior coverage dates, the customer must provide:

- Proof of prior Bodily Injury limits
- Proof of six months previous continuous coverage. Multiple policies can be submitted to reach the six-month minimum.

To be considered acceptable POP, a document must be issued by a prior United States or foreign insurance company and must contain all the following information:

- Applicant listed as a named insured or as a driver on a personal auto, commercial, or motorcycle policy
- Prior company name
- Bodily Injury limits
- Policy expiration date.

**Note:** If the proof does not contain the information listed above, a printed copy of the agency management system is acceptable as long as it has all required information or is in addition to the company-issued proof submitted.

If the proof is written in another language and the prior limits cannot be determined, the minimum POP limits must be given.

National General Insurance will accept print screens indicating the customer’s coverage dates and limits from the prior company. This option is only available when the customer cannot provide a Declarations Page.

The following documents are acceptable POP:

- Declarations Page
- Renewal/Renewal Offer Declarations Page
- Letter from previous carrier
- ID Card (only acceptable for minimum Liability limits)
- Commercial Policy
- Motorcycle Policy.

The following documents are **not acceptable** POP:

- Prior National General Insurance policy.
- Billing statement.

**End-of-Term Transfers**

For policies being transferred to National General Insurance at the end of the prior policy term, the following company-issued documentation is acceptable POP:

- Renewal Offer
- Non-Renewal Notice
- Prior Declarations Page
- ID Card (only acceptable for minimum Liability limits).
Driver Eligibility

The policy must cover at least one named insured who is a Rated driver. The named insured includes the person listed as the named insured and that person’s spouse if residing in the same household. Corporations, partnerships, estates, and receiverships are not acceptable as a named insured.

Primary named insured must have a valid United States driver license.

All residents in the household or anyone who regularly drives any vehicle listed on the policy (defined as at least ten percent of that vehicle’s usage) must be classified as one of the following:

Rated
At least one named insured or spouse must be a Rated driver. All Rated drivers are evaluated in the various rate calculations.

Rated drivers include:
- Any household member who has a driver license.
- Any non-household member who regularly drives any of the vehicles on the policy at least ten percent of the vehicle’s usage.

Non-Drivers
A Non-Drive is any household member who does not have a driver license and does not ever expect to obtain one. This category typically includes — but is not limited to — household members with impairments that prevent them from driving and elderly people who have surrendered their driver license.

Listed / List-Only (Youthful Only)
A Listed / List-Only driver is any household member who is age 14 — 17 and does not have an active or suspended driver license, junior license, or learner permit.

Note: A driver who turns age 17 does not automatically get Rated at renewal. Drivers remain Listed until the customer contacts us with a valid driver license number or an unlisted operator claim is reported.

Other Insurance
Any driver who can prove continuous Liability insurance with another company. Proof of insurance is required.
Named Non-Owner Policies

Named Non-Owner policies provide liability protection for individuals who do not own a vehicle and who do not have regular or frequent access to any vehicle for personal use. The rating territory is based on the named insured’s resident ZIP Code, which cannot be out of state. This coverage is in excess of any other coverage.

- Coverage only applies to non-owned vehicles and only to the named insured. Vehicles cannot be listed on the policy.
- If the named insured is married, the spouse is the only other driver who may have a Rated driver status.
- Coverage can be written for one named insured/one driver. If multiple drivers are in the same household — including husband/wife — a separate policy is written for each individual.
- Coverage does not extend to household members or other permissive operators.
- Bodily Injury and Property Damage coverages are required.
- Only Liability coverage is available (e.g., Bodily Injury, Property Damage, Medical Payments, Uninsured Motorist Bodily Injury, Underinsured Motorist Bodily Injury).
- Comprehensive, Collision, Rental Reimbursement, Towing and Labor, and Additional Customized Equipment and Parts coverages are not allowed.
- Business Use or Artisan Use is not acceptable.
- Discounts and surcharges are applicable.

Vehicle and Driver Assignment

National General Insurance uses highest ranked operator to vehicle principally operated method for vehicle-driver assignment. All drivers listed on the policy are ranked highest to lowest based on their driver class, points for violations and accidents, and discounts and surcharges. The highest ranking driver is assigned to the vehicle he/she operates most frequently — regardless of whether he/she is the principal operator of that vehicle. The next highest driver is then assigned to the remaining vehicle that he/she operates most frequently, and so on.

Operator Marital Status

National General Insurance classifies persons who are not legally married as single for rating purposes. Married operator rates are applied to those legally married and residing in the same household. Operators who are married but living in separate households, widowed, separated, or divorced are rated as single.

Policyholders who are married and become widowed while insured with National General will maintain the married rate as long as the policy is continuously in-force.

New York recognizes domestic partnership for same sex and different sex couples.
Garaging Location

Each vehicle will be rated based on ZIP Code in which the vehicle is principally garaged. Post Office Box ZIP Codes cannot be used for rating. The garaging street address and ZIP Code must be given for all Post Office Box mailing addresses.

For vehicles principally garaged at the named insured's primary or secondary residence, at least one vehicle must be garaged at the same location for at least ten months per year.

The following are exceptions to the same location rule:

- Students away from home at school with a vehicle titled in the insured’s name.
- Military personnel stationed out of state.
- Vehicle is garaged out of state and the territory code for that garaging location ZIP Code is an acceptable territory. Any vehicle garaged out of state with an unacceptable territory code is unacceptable.

**Note:** Unacceptable territory states are District of Columbia, Hawaii, Massachusetts, Michigan, New Jersey and outside the United States.

Leased Vehicles

Vehicles leased by an individual for Business Use are acceptable if the usage meets Business Use or Artisan Use guidelines.
Transaction Guidelines

Binding New Policies
An Agent in good standing with National General Insurance has the authority to bind coverage according to the terms and conditions of this Guide. New business applications cannot be bound or effective until the following conditions are met:

- The Agent has obtained adequate information to accurately rate the risk and has done so.
- The application and all applicable forms and documents are completed and signed by the applicant and the appointed Agent.
- The down payment has been collected.

A policy cannot be effective earlier than the time and date that an accurate rate is generated, the applicant and Agent have signed the application, and the down payment or payment in full has been collected by the Agent.

National General Insurance reserves the right to reject or cancel any risk not bound in accordance with these rules. Agents do not have authority to issue policies, endorsements, or cancellation notices — unless specifically authorized by the Company in writing.

Brokering is not permitted. It is not acceptable to give our underwriting materials to other Agents or brokers or to accept applications from them for risks they have underwritten or will service outside your office. Violations will result in immediate termination of the agency/broker agreement.

Hazardous Weather Binding Restrictions
If a hurricane, tropical storm, tornado, hail storm, or flood occurs or a warning is placed in effect, do not bind any new Physical Damage coverage. Physical Damage coverage can be added when the moratorium or warning is lifted. If binding coverage within 48 hours after a warning or occurrence has been lifted, you must inspect the vehicle before initiating Physical Damage coverage. Note the application that an inspection was completed.

New Business
- Do not bind any new policies with Physical Damage coverage.
- Liability Only policies can be bound.

Endorsements
- Do not bind coverage to add or replace a vehicle with Physical Damage.
- Do not bind coverage to add Physical Damage coverage to an existing Liability Only vehicle.
- Do not lower a Physical Damage deductible for an existing vehicle.
- All other types of endorsements can be bound.

Reinstatements
- Policies with Liability Only coverage are eligible for reinstatement.
Misrepresentation of Risk

Misrepresentation of a risk is insurance fraud. Each applicant has the responsibility and obligation to truthfully complete an application for insurance and to inform National General Insurance of any and all changes during the policy period. Failure to do so could result in denial of a claim.

The Agent is responsible for helping the applicant fully disclose all material facts. To avoid possible misrepresentation and to ensure the accuracy of quoted premiums:

- Verify the vehicle(s) or operator(s) is not listed in our program as an unacceptable risk.
- Make sure the applicant understands and answers all questions. Ask the applicant all questions on the application concerning business use, prior vehicle damage, past insurance fraud, and felonies.
- Inform the applicant that National General Insurance uses MVRs, C.L.U.E., credit reports, and other available reports to assist in verifying information and rating the policy.
- All losses and accident activity — both at-fault and not-at-fault — must be disclosed.
- Verify the garaging address of all vehicles.
- Verify that all residents of the household who are of eligible driving age or permit age (whether they drive or not) and all operators who are regular operators of the insured vehicles are listed and rated on the application.

Agent of Record

We believe that insureds and Agents are best served by renewing existing policies with the Agent who produced the policy; therefore, we do not encourage changing Agent of Record. When an insured insists on changing Agents, we require a request to change the Agent of Record signed by the insured prior to the renewal effective date. Agent of Record changes will be effective at renewal and cannot be done midterm.

Policies written directly through National General Insurance cannot be transferred to an Agency policy via an Agent of Record form. The policy must be written as a new business policy in your Agent code and in a company in which you are licensed to write business.

Undeclared Operators

In the event we discover a previously undeclared operator, National General Insurance reserves the right to make appropriate policy and coverage changes.

Endorsements

Endorsement requests should be submitted using our policy system at www.natgenagency.com.

Normal binding rules apply to endorsements and all endorsements are subject to the guidelines established for new business.

Premium adjustments resulting from policy changes will be made at the time of endorsement or incorporated into future installment bills. If all installment payments have been received, premium adjustments will be billed or credited directly to the insured.

Select endorsement types will be reviewed by National General Insurance and additional information may be requested as a result of the transaction being performed.
Cancellations

Flat Cancellations
Flat cancellations after policy inception are only permitted for one of the following reasons:

 We are notified within 30 days of the policy effective date that there is duplicate coverage on the vehicle(s) equal to or greater than the National General Insurance policy. A copy of the Declarations Page from the other policy and the named insured's written request must be submitted.

 The named insured did not take possession of the vehicle during a vehicle purchase and there are no other vehicles listed on the policy. The named insured’s request is required.

A Cancellation fee is not charged for a flat cancellation.

Insured Requested
Insured requested cancellations are calculated pro rata and are reduced by a Cancellation fee. This fee is fully earned and no commission is paid on fee. This fee requires the equity date to adjust by the amount of the fee throughout the policy period.

The named insured’s written request is required. The cancellation effective date may not be earlier than the date National General Insurance receives the request.

National General Insurance does not automatically cancel a policy or delete a vehicle due to a total loss. The named insured must request the cancellation. If the request is received within 30 days of the date of loss, the effective date is one day after the loss date. Otherwise, the cancellation effective date or deletion cannot be prior to the date of the request.

Company Requested

Cancellation for Non-Payment
If payment for a billed installment is not received by the due date, a notice of cancellation may be sent to the insured, Agent, and any loss payee or additional interest. If payment is received before the cancellation effective date, the cancellation will not take effect; the policy will remain in-force. If payment is received on or after the cancellation effective date, the cancellation will take effect. Cancellations for non-payment of premium are calculated pro rata.

Reinstatements
Policies may be eligible for reinstatement within 14 days of a cancellation date or expiration date provided certain criteria are met. Policies may be reinstated depending on number of days since expiration or cancellation. A policy may be rewritten if the insured meets current guidelines and satisfies any outstanding balance; the rate may change.

Renewals
A renewal offer will be sent to the named insured approximately 45 to 60 days prior to the policy expiration date. The insured must pay all balances due before money received can be applied to the renewal.

Renewal Down Payments
The renewal down payment must be received prior to the renewal effective date to ensure no lapse in coverage.

Renewal Down Payments Delivered to Agency
To keep the policy continuously in-force, the full renewal down payment must be received prior to the renewal due date.
Billing, Payments, and Fees

Term of Policy
Six-month and 12-month policies are offered and will display in the system when available.

Payments
All National General Insurance payment invoices are billed directly to the insured except the down payment, which must accompany the application. Each invoice will contain a schedule of remaining payments.

All refunds are mailed directly to the insured.

When an Agent accepts an insured’s check, information containing routing and account numbers should be submitted into our system as an e-check. As if the insured’s check is returned for non-sufficient funds reasons, National General Insurance will be responsible for any “non-sufficient” fund fees. If for some reason an agency wishes to deposit a check, it should be made payable to National General Insurance or the Agency. When an insured’s check is made payable to National General Insurance, the check should be endorsed to the agency account by signing or stamping the check and indicating ‘For Deposit Only’.

When an insured’s check is returned to the agency for non-sufficient funds reasons, National General Insurance will reimburse the Agent — including any associated bank fees up to a maximum of $25.00. Agent notification must be received at National General Insurance within 20 calendar days of the date the insured’s check was written in order to receive reimbursement.

Acceptable methods of payment are:
- Down Payment — VISA and MasterCard credit or debit cards, Agent sweep, or electronic check
- Installment Payment — VISA and MasterCard credit or debit cards, Agent sweep, or electronic check
- Automatic Payment — VISA and MasterCard credit card, checking account, or savings account

Automatic Payment
If the Auto Pay payment method is available, an insured may choose to have monthly installments electronically withdrawn from their personal checking account, savings account, or credit card on the date they choose by completing a National General Insurance Automatic Payments Authorization Agreement at new business or at renewal.

National General Insurance will provide the named insured a draft schedule of automatic payment transactions.

If a change occurs on the policy resulting in a premium change, a revised statement will be issued in advance confirming the new amount to be drafted. Agents should notify insureds that National General Insurance will continue drafting based on the current draft schedule until the revised statement is issued.

Requests to change account information or draft dates or to stop automatic payment must be received by National General Insurance at least five business days prior to the next draft. For account information changes, a new Automatic Payments Authorization Agreement is required.

Renewal down payments will automatically be drafted from the named insured’s account — unless a written request to stop the draft is received.
Fees

Cancellation
A $50.00 fee will be charged when a policy cancels for non-payment or when a customer cancels their policy before the renewal date.

Installment.
A $9.00 fee (Tiers 1 – 3) or a $7.00 fee (Tiers 4 – 10) will be included in the installment amount for all payment methods.

Late
A $12.00 fee will be charged for late payments.

Law Enforcement Fee
A state-mandated fee will be included on all policies that carry Liability coverage.

<table>
<thead>
<tr>
<th>Payment Period</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-month</td>
<td>$ 5.00</td>
</tr>
<tr>
<td>12-month</td>
<td>$10.00</td>
</tr>
</tbody>
</table>

Non-Sufficient Funds
A $20.00 fee will be charged on all returned checks that were not honored by the bank.

Document Retention and Audit Requirements
It is important to maintain complete and accurate records on all insurance transactions conducted on behalf of National General Insurance. When you complete a sale or policy endorsement, an Agency "To Do" list prints a list of documents required to be submitted to National General Insurance or to be retained in your customer file. These documents, whether paper or electronic form, should be retained for at least five years from the policy expiration date (or if coverage was never bound, from the date on which the policy quote was rejected). If State Law requires such documents be retained longer than five years, comply with the state requirement.

All Agency records pertaining to the business of National General Insurance are open for review and inspection during routine audits. Upon request, you will be required to present specific documentation. Failure to provide the documentation within the allotted time period will result in a failed audit.

Uploading Policy Documents
When a Policy “To Do” requires documentation be submitted to National General Insurance, uploading documents through the system is the fastest and easiest way to ensure we receive the customer’s documentation immediately. Click the green “Upload” button beside the ToDo item on the Policy Summary screen. A separate “Choose File to Upload” window displays for you to select the document to upload.