



CARNEGIE SAFE AUTO

CALIFORNIA PRIVATE PASSENGER AUTOMOBILE PROGRAM

UNDERWRITING RULES

Effective 5/15/2020

**Presented By:
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**Underwritten by:
Safe Auto Insurance Company**



Safe Auto Insurance Company Underwriting Rules

- G01 – Definition of Private Passenger 3
- G02 - Unacceptable Risks..... 3
- G03 – Policy Term 5
- G04 – G05 – Reserved for future use..... 6
- G06 – Cancellation 6
- G07 – Rating Platform..... 6
- B01 – Policy Fee 6
- B02 – Installment Fee 6
- B03 –Endorsement Fee..... 6
- B04 – Convenience Fee 6
- B05 – Renewal Payments..... 6
- D01 – Driver Definition 6
- D02 – Permit Rating 7
- D03 – Driver Classification 7
- D04 – Driver Record Points..... 8
- D05 – D06 – Reserved for future use..... 9
- D07 – Financial Responsibility Filings..... 9
- D08 – Good Driver Discount 9
- D09 – Super Good Driver Adjustment 10
- D10 – D12 – Reserved for future use..... 10
- D13 – Mature Driver Discount 10
- P01 – Liability Limits..... 10
- P02 – Uninsured/Underinsured Motorist..... 11
- P03 – Uninsured Motorist Property Damage 11
- P04 – Medical Payment Limits..... 11
- P05 – Acquisition Expense 11
- P06 – Comprehensive and Collision Deductibles..... 12
- P07 – Named Non-Owner Coverage 12
- P09 – Reserved for future use 12
- P10 – Rental Reimbursement Coverage 12
- P11 – Reserved for future use 13

P12 – Collision Deductible Waiver	13
P13 – Hardship Accommodation	13
P14 – Cancellation Fee	13
P15 – Reinstatement after cancellation for nonpayment	13
P16 – P23 – Reserved for future use.....	14
P24 – Multi Car.....	14
P25 – Multi-Policy Discount	14
P25 – P41 – Reserved for future use.....	14
P42A – Percentage Use of Vehicle by Rated Driver (Occasional Operator Discount)	14
P42B – Secondary Driver.....	14
P43 – P84 – Reserved for future use.....	14
P84 – Minimum Premium	14
V01 –Vehicle Symbols	14
V02 – Model Year.....	15
V03 – V06 – Reserved for future use	15
V07 – Vehicle Garaging Location Rating - Severity & Frequency Bands	15
V08 – Fraud Fee	15
V09 – Vehicle Use Definitions	16
V11 – Vehicle Use Surcharge	16
V12 – Excess Vehicle	16
V13 – Vehicle Annual Mileage	16
V14 – V80 – Reserved for future use	17
V81 – Vehicle Tracking System	17

G01 – Definition of Private Passenger

The term "private passenger auto" means a land motor vehicle of the private passenger, pickup body, or cargo van type, designed for operation principally upon public roads, with at least four (4) wheels, and with a gross vehicle weight rating of 12,000 pounds or less according to the manufacturer's specifications.

The named insured must be a natural person or persons residing in the same household. Corporations or partnerships cannot be listed as a named insured, but may be listed as an "Additional Interest Insured".

The vehicles must be owned, however an exception will be made for vehicles leased for a period of more than 6 months, by an individual or individuals listed on the policy who reside in the same household.

G02 - Unacceptable Risks

NOTE: Some of these provisions do not apply if all drivers on the policy qualify as good drivers, as defined in California Insurance Code 1861.025 and the vehicles insured are private passenger type, as defined in section 660 of the California Insurance Code and there has not been a substantial increase in hazard insured against in the most recent SafeAuto term.

Only private passenger automobiles are acceptable under our program. However, the following risks are not acceptable:

A. Named insureds or drivers who have:

1. been convicted of insurance fraud;
2. have a permanently revoked license, unless the driver is excluded from coverage;
3. drivers that are under the minimum age for state licensing;
4. drivers who require an SR-22 for a state other than California;
5. drivers whose violation/accident points exceed the acceptability threshold of 20 points;
6. had a policy terminated or voided by the Company (or one of its affiliates) for, or who have committed, fraud or misrepresentation in connection with an application for insurance or in the presentation or settlement of a claim;
7. had a policy terminated or voided by the Company (or one of its affiliates) because of, or who have issued, an unauthorized payment in connection with an application for insurance or a policy, or
8. do not provide documentation to verify their identity upon request.

B. Vehicles:

1. that do not have a principal garaging address located in California. Principal means more than 6 months a year.
2. not registered for street use.
3. used for racing.
4. Used for Commercial purposes, including:
 - i. racing;

- ii. carrying persons or property for compensation of a fee, including but not limited to:
 - 1. limousine, taxi, transportation networking company or other livery service (does not apply to shared expense car pools);
 - 2. pickup or delivery of magazines, newspapers, food, other vehicles or any other products.
 - iii. transport of explosives, chemicals, flammable materials, or more than 500 pounds of supplies or equipment;
 - iv. lease or rental to others by the applicant or registered owner;
 - v. emergency services, unless the applicant is the registered owner and the vehicles is used on a volunteer part-time basis;
 - vi. auto business such as selling, leasing, repairing, parking, storing, servicing, delivering or testing vehicles;
 - vii. business use that does not meet the acceptable use standards in the Vehicle Use Definitions Rule (V09);
 - viii. a substantial increase in hazard insured against through change to commercial use or discovery of undisclosed commercial use.
- 5. that are commercial type vehicles:
 - i. including, without limitation, step van, panel vans, parcel delivery vans, or cargo cutaway vans or other vans with cabs separate from the cargo area;
 - ii. equipped with snowplowing equipment;
 - iii. not registered for street use;
 - iv. emergency, fire, ambulance or law enforcement agency vehicles;
 - v. equipped with cooking equipment or bathrooms;
 - vi. that have a gross vehicle weight rating (according to the manufacturer's specifications) greater than 12,000 pounds.
- 6. that are owned or leased by a partnership or corporation, unless:
 - i. the vehicles are customarily operated by the named insured or a resident relative for pleasure or commuting;
 - ii. all drivers are household members and are listed on the policy;
 - iii. no more than four such vehicles are owned or leased by the partnership or corporation; and
 - iv. the partnership or corporation does not engage in businesses that are defined as unacceptable commercial use under part 4 of this section B of this rule.
- 7. equipped with altered suspensions, which are suspensions that are homemade, custom-built, or modified, and include lift kits greater than 4 inches (usually installed on off-road vehicles or street rods). However, lift kits of 4 inches or less, low riders with hydraulics, kit cars, and dune buggies are acceptable if registered for street use.
- 8. Low-speed vehicles that have a maximum speed less than 55 mph.
- 9. Sand rails, go-carts, and Cushman 3-&-4 wheeled vehicles or similar non-private passenger auto vehicles.
- 10. Comprehensive and collision coverage is not available on vehicles valued at less than \$2501, pursuant to CIC section 671. The company will take the necessary steps to collect information to determine the value of the vehicle using generally accepted vehicle

valuation guides, and by requesting additional information from the named insured. If a vehicle with comprehensive or collision coverage is determined to have a market value of less than \$2501, it shall be considered a substantial increase in hazard insured against and the comprehensive and collision coverage will be removed at the next renewal.

C. Policies:

1. That have vehicles garaged at two different addresses and drivers in two different households, with the following exceptions:
 - i. student or military risks (e.g., spouse of insured/unmarried child of insured);
 - ii. named insured has two different households (e.g., one permanent home and one vacation home);
 - iii. drivers who live at different addresses but all vehicles are garaged at one place; or
 - iv. husband/wife in the process of divorce and the vehicle is still considered community property.
2. Where two or more private passenger automobile insurance policies written for the same household, with the following exceptions:
 - i. children who own their own vehicle; or
 - ii. unrelated residents/roommates.
3. With fraud or material misrepresentation affecting the policy or the insured will result in cancellation or rescission, including an unauthorized street broker impersonating the applicant and submitting policies on their behalf.
4. With a substantial increase in hazard insured against:
 - i. Where the insured fails to respond to a reasonable request for underwriting information within 30 days may be canceled.
 - ii. Where any vehicle is regularly available to non-listed drivers. All drivers to whom a vehicle is regularly available should be listed on the policy.
 1. After one permissive user claim, an offer will be made to exclude the driver from the policy. If the driver is not excluded from the policy, the policy will be canceled.
 2. Two permissive user claims will constitute regular use of the vehicle by other than the insured, principal or occasional drivers of the insured vehicle, and the policy will be canceled.
5. Where the applicant or named insured (either as applicant, named insured or spouse), or a listed driver has had a policy from Safe Auto Insurance Company non-renewed or cancelled for underwriting reasons in the last 12 months.
6. Policies where the applicant or named insured (as either applicant, named insured, or spouse), or a listed driver has had a policy in the past 12 months on which their down-payment was invalid, and they never made any subsequent valid payment.

G03 – Policy Term

Policies are written for six-month policy terms.

G04 – G05 – Reserved for future use

G06 – Cancellation

We may cancel a policy for one or more of the following reasons:

- A. nonpayment of the required premium when due;
- B. fraud or material misrepresentation affecting the policy or insured; or
- C. a substantial increase in the hazard insured against as defined in Section 2632.19 of the California Insurance Regulations and defined in rule G02 as unacceptable risks

We will refund premium pro rata for the period from the date of cancellation to the expiration date. If we cancel a policy due to customer request or nonpayment of premium, we will calculate any refund due on a daily pro rata basis and charge a cancellation fee (see rule P14 for amount).

G07 – Rating Platform

The Company only offers its rates through approved channels.

B01 – Policy Fee

A policy fee will be charged for the first year a policy is in effect. The fee is \$31.50 per policy term, unless all covered drivers are Good Drivers in which case the fee is \$25.

B02 – Installment Fee

For policies on installment plans, a fee will be charged on all billed installments after the new business down payment, including the billed renewal down payment. Installment fees are charged in addition to premium. Fees vary by the type of payment plan (non-EFT "paper" and EFT) in effect when the payment plan is selected or the policy is renewed.

Non-EFT \$15

EFT \$8

B03 – Endorsement Fee

A fee of \$5 will be charged for any premium bearing endorsement.

B04 – Convenience Fee

A convenience fee of \$5 will be charge.

B05 – Renewal Payments

If the renewal payment is postmarked (mailed payments) or transacted (phone or internet payments) on or before the later of the renewal payment due date or the renewal effective date, the renewal term will be put in force with no lapse in coverage.

D01 – Driver Definition

The term "eligible to be rated driver" refers to resident relatives of legal driving age and any other person who regularly or frequently drives a covered auto other than those:

- A. with a signed named exclusion form;
- B. drivers with a learner's permit as specified in Rule (D02).

Named Driver Exclusion

SafeAuto allows policyholders the option of excluding listed drivers. Any listed driver, except a primary named insured who is licensed and any individuals requiring a SR-22 filing, may be excluded from coverage under the policy. The transaction to exclude a listed driver may be done with counseling from one of our licensed agents. Excluded drivers will not be treated as an eligible to be rated driver for purposes of premium calculation. The Company will not pay for any claim arising from an accident or loss that occurs while any vehicle is being driven, with or without the named insured's permission, by any excluded driver.

The company must have a signed Named Driver Exclusion form prior to adjusting the rate to reflect the exclusion.

D02 – Permit Rating

Drivers with a learner's permit who are single, under the age of 19, and a child of the primary named insured, will not be included in the rating of the policy. The permit driver will become an eligible to be rated driver when the company is notified by the named insured, or a third party vendor, that the permit driver has obtained their full license. Where the third party notification of licensing is not available, permit drivers will be classified as eligible to be rated at the first renewal of the policy after the permit driver becomes of legal licensing age. Unless reported by the named insured, we will notify the customer of the change in license status, providing them an opportunity to revert to the non-rated status if the driver continues to hold a learner's permit.

D03 – Driver Classification

Drivers are classified by years experience, gender, and marital status.

Years Experience refers to the number of years of experience that the driver rated on the insured vehicle has been licensed to drive in any jurisdiction.

Marital status is defined as follows:

Single - a driver who is not married, as defined below.

Married - a driver who is legally married, or who is deemed married or in a domestic partnership pursuant to state law, but not including a driver who is legally separated to an eligible to be rated driver on the policy. (The inability of married persons to live together because of career obligations or military service does not deny them the married classification.)

Widow/Widower - a driver who was legally married, but whose spouse is deceased. Widowed operators are rated as single. If a rated driver becomes widowed during the policy term, they will continue to be rated as married during the policy term and on any subsequent renewal policy terms.

D04 – Driver Record Points

Driving record points are assigned to operators for chargeable accidents and violations.

Chargeable Period - All accidents and violations occurring in the 36-month period prior to the initial policy inception, or in the 36-month period prior to the renewal date for renewal policies, are considered in developing a driver's policy premiums. For drivers who are endorsed onto the policy, until the next policy term, their chargeable period will be 36 months prior to the date on which they are added to the policy.

Chargeable Date - The occurrence date is used to determine if the accident or violation took place in the chargeable period. If an occurrence date for an accident cannot be obtained from a Claims Loss History Report (CLUE), MVR (Motor Vehicle Report), or Progressive records, a date will be requested from the applicant.

MVR/Court Data/Claims Loss History Report Reconciliations - accidents and violations listed on the application will be reconciled with similar accidents and violations obtained from a consumer report to avoid duplication. When reconciliation occurs, the accidents and violations will be assigned the date of occurrence listed on the consumer report. If reconciliation does not occur, accidents and violations listed on the application and/or the consumer reports will be considered separate violations.

Same Day Offenses - if an occurrence results in multiple violations or accidents that are assigned to the same driver, the driving record points for that occurrence will be based on the violation or accident with the highest bodily injury point charge.

Source of Points - Accidents or violations occurring while a driver is operating a private passenger auto, commercial vehicle, motorcycle or recreational vehicle will be charged.

At-Fault Accidents –

New Business - A chargeable accident is one in which the driver's actions or omissions were at least 51% of the legal cause of the accident, and the accident resulted in injury or death or, for an accident resulting only in damage to property, the total loss or damage caused by the accident exceeded \$750, if the accident occurred prior to 12/11/2011, or \$1,000, if the accident occurred 12/11/2011 or later. Accidents on CLUE will be deemed to be at-fault if the fault indicator returned from CLUE is a B or a D. All accidents disclosed by the applicant on the application but not reconciled with an accident from CLUE with a B or D fault indicator, listed on the MVR but not reconciled with an accident from CLUE with a B or D indicator, or listed on CLUE without a definitive fault indicator, will result in a written request for verification or additional information.

Renewal Business - Accidents reported to SafeAuto will be deemed at-fault if we determine our insured is at least 51 percent liable for the accident, and the accident resulted in injury or death or, for an accident resulting only in damage to property, the total loss or damage caused by the accident exceeded \$750, if the accident occurred prior to 12/11/2011, or \$1,000, if the accident occurred 12/11/2011 or later. Newly discovered accidents noted only on an MVR when obtained at renewal will be deemed to be not at fault. Newly discovered accidents found on CLUE at renewal will be added only if the accident occurred prior to the driver being specified as having coverage under the policy, and will be treated according to their fault indicator, if present, and treated as not at fault if not present, or not definitive.

Point assignments vary by violation and by occurrence within each classification. If there is more than 1 violation within a class, the oldest occurrence date is used to determine the occurrence order. Refer to the Class Plan to determine application of points.

D05 – D06 – Reserved for future use

D07 – Financial Responsibility Filings

At the named insured's request, the Company will issue a financial responsibility filing (eg. SR-22) for any eligible to be rated driver on the policy.

Any policy with a filing must offer liability limits that satisfy minimum financial responsibility requirements for the state requesting the filing. Any driver requesting a filing must have a verifiable driving record and cannot be excluded from the policy.

The Company will cancel the filing upon lapse or expiration of the policy. The filing will be reinstated if the policy reinstates or renews.

Filings can be made only for the state of California.

An administrative filing fee of \$20 is charged for each policy term (new and renewal) for which a filing is in place for all or any part of the term.

D08 – Good Driver Discount

At least a 20% discount is applied to all vehicles assigned drivers qualifying for “good driver” status under Section 1861.025 of the California Insurance Code.

In order to qualify for a good driver discount, a driver must meet all of the following criteria:

- 1) He or she must be licensed to drive a motor vehicle for the previous three years;
- 2) During the previous three years has not had any of the following:
 - a) More than one Department of Motor Vehicles violation point during the prior 3 years.
 - i) For purposes of this section, a driver involved in a motor vehicle accident for which he or she was principally at fault that resulted only in damage to property, shall receive one violation point count, in addition to any other violation points that may be imposed for this accident.
 - b) More than one dismissal pursuant to Section 1803.5 of the Vehicle code that was not made confidential pursuant to Section 1808.7 of the Vehicle code that would have resulted in more than one violation point if the complaint has not been dismissed.
 - c) A principally at fault accident that resulted in bodily injury or death of any person.
- 3) Have no conviction of certain driving under the influence related driving offenses. These driving under the influence offenses are defined by Vehicle Code Section 23140, 23152, 23153, 23550 and 23566, or a violation of Section 191.5 of subdivision (a) of Section 192 of the Penal Code. A driver convicted of a DUI-related offense will be ineligible for a good driver discount for a period of 10 years. Drivers who do not qualify for a good driver discount may be excluded from coverage which may qualify the policy for the “Good Driver” discount.

The California Code of Regulations mandates that a driver shall be considered to be principally at fault in an accident if the driver's actions or omissions were at least 51 percent of the legal cause of the accident, and the accident resulted in bodily injury, death, or, for an accident resulting only in property damage, the total loss or damage caused by the accident exceeded \$750, if the accident occurred prior to 12/11/2011, or \$1,000, if the accident occurred 12/11/2011 or later. To have a policy further reviewed for Good Driver Discount eligibility, the insured must submit one or more of the following forms of accident details showing the driver was not-at-fault or that there was no bodily injury involved in the at-fault accident listed on the enclosed accident/violation history:

- A claims report with sufficient information to determine the details of the loss.
- Documentation from their previous carrier regarding the loss.
- Documentation from the other party's carrier regarding the loss.
- A detailed written declaration from the driver regarding accident/violation history. This declaration will be made under penalty of perjury, and any fraudulent or material misrepresentation may result in cancellation or voiding of the policy.

The Good Driver Discount will not apply to a default driver on a non-good driver policy. The discount will apply to the Policy Level Acquisition Expense if all drivers on the policy meet the good driver criteria. Refer to the Class Plan for discount percentage and coverages to which this discount is applied.

D09 – Super Good Driver Adjustment

Super Good Driver is defined as an eligible to be rated driver who meets all of the criteria set forth in the Good Driver rule, has at least five years of driving experience and has been at fault free for the last five years.

Refer to the Class Plan for adjustment percentage and applicable coverages.

D10 – D12 – Reserved for future use

D13 – Mature Driver Discount

A Mature Driver discount is applied if all of the following conditions are met:

- 1) The principal operator is 55 or older;
- 2) A copy of the California state approved Mature Driver Improvement Course is provided showing that the principal operator has successfully completed a motor vehicle accident prevention course within three years of the inception date of the policy.

An approved course must be completed every three (3) years for the discount to remain in effect. The discount will be canceled if any of the following apply to the insured:

- 1) Involved in an at-fault accident;
- 2) Convicted of a moving violation or of a traffic related offense involving alcohol or narcotics.

Refer to Class Plan for discount percentage and coverages to which this discount is applied.

P01 – Liability Limits

Bodily Injury and Property Damage liability limits are required to be equal to or higher than the highest

minimum financial responsibility limits required by law in any state in which a vehicle is garaged for more than two months out of the year. All vehicles on the policy with Liability Coverage must carry the same limits.

Refer to Class Plan for available Liability limits (expressed in \$000s) and associated factors.

P02 – Uninsured/Underinsured Motorist

The chosen Uninsured/Underinsured Motorist Bodily Injury (UM/UIM) limit applies to all vehicles with liability coverage.

UM/UIM Combined Single Limits cannot be purchased separately.

UM/UIM limits cannot exceed the limits chosen for Bodily Injury.

UM/UIM combined single limits are only available when Bodily Injury combined single limits have been selected.

Refer to Class Plan for available Uninsured/Underinsured Motorist limits (expressed in \$000s) and associated factors.

P03 – Uninsured Motorist Property Damage

The chosen Uninsured/Underinsured Motorist Property Damage (UMPD) limit applies to all vehicles with liability coverage.

UMPD cannot be purchased without Uninsured/Underinsured Motorist Bodily Injury coverage.

UMPD is available for any vehicle without Collision coverage.

UMPD limits cannot exceed those chosen for Property Damage coverage.

Refer to Class Plan for available Uninsured Motorist Property Damage limits (expressed in \$000s) and associated factors.

P04 – Medical Payment Limits

Medical Payments Coverage is only available on policies with Bodily Injury/Property Damage Liability Coverage. Chosen limits must be identical for all cars with liability coverage on a multi-car policy.

Refer to Class Plan for available Medical Payments limits (expressed in \$000s) and associated factors.

P05 – Acquisition Expense

A Fixed Acquisition Expense Load will be charged to cover the costs required to attract and write a new customer. If Bodily Injury coverage is selected, the Fixed Acquisition Expense Load is added to the Bodily Injury premium. If not, the Fixed Acquisition Expense Load is added to the Comprehensive premium.

The fixed acquisition expense load will be set based on inception criteria and will not change over the life of the policy. Existing customers will retain their current fixed acquisition expense load. The fixed acquisition expense load is \$105.58.

P06 – Comprehensive and Collision Deductibles

Deductible levels for Comprehensive and Collision coverages for a vehicle may be different. Deductible levels for vehicles on a multi-car policy may be different.

Comprehensive coverage must be purchased in combination with Collision.

Comprehensive and collision coverage may not be purchased if the vehicle has a market value of less than or equal to \$2500 as described in California Insurance Code Section 671.

Refer to the Class Plan for available Comprehensive and Collision deductible levels.

P07 – Named Non-Owner Coverage

Named non-owner coverage is available for individuals who do not own an auto. Coverage under the policy is limited by the filed Named Non-Owner Coverage Endorsement. Comprehensive and collision coverage are not available.

Named non-owners are rated with vehicle group 66 factors and a Model Year Factor of 1.0.

Named non-owner coverage is subject to the following restrictions:

- A. No member of the named operator's household may own or have access to a vehicle on a regular basis.
- B. Coverage does not apply to vehicles owned by the insured or a household member.
- C. Coverage applies only to the person listed on the declarations page and does not extend to household residents.
- D. Filings are acceptable (operator only filing).
- E. Named non-owner coverage is not available if the insured operates a vehicle used for business (see Vehicle Use Definitions Rule V09).
- F. It is the only policy issued by the company in the household.

P09 – Reserved for future use

P10 – Rental Reimbursement Coverage

Rental Reimbursement Coverage can be purchased to reimburse the insured for rental charges up to the selected daily limit, for a maximum of 30 days. Rental Reimbursement may be purchased only for a vehicle covered by Comprehensive and Collision coverage and only applies if the loss is covered under either coverage.

Refer to Class Plan for available daily limits and associated factors.

P11 – Reserved for future use

P12 – Collision Deductible Waiver

Collision Deductible Waiver (CDW) coverage is available for any vehicle with Collision coverage. CDW is a vehicle level coverage.

CDW limits must match the Collision deductible of the vehicle.

Refer to Class Plan for available Collision Deductible Waiver limits.

P13 – Hardship Accommodation

If the Company has determined that a hardship has occurred and that the hardship will;

- A. prevent a named insured from obtaining a benefit under the Company's Rules, or
- B. result in the named insured suffering an adverse consequence in accordance with the Company's Rules;

the Company may choose to extend such benefit to, or not impose the adverse consequence on, the named insured.

The term "hardship" may include, but is not limited to, situations that involve:

1. Substantial physical loss to the residence of the named insured (e.g., loss caused by fire)
2. Death or serious illness within the named insured's immediate family
3. Military obligations
4. Bank error or other third party error not contributed to by the named insured

A hardship accommodation must be requested by or on behalf of the named insured. Only current or recent named insureds are eligible. Notwithstanding anything contained in this Rule, this Rule shall never operate to cover a claim under an insurance policy issued by the Company.

P14 – Cancellation Fee

A cancellation fee of \$40 will be assessed for all insured requested and non-payment cancellations.

P15 – Reinstatement after cancellation for nonpayment

If a policy has been canceled for non-payment of premium, eligible policies may be offered the option to reinstate. If the named insured on an eligible policy chooses to reinstate the cancelled policy in lieu of purchasing a new policy, the policy will reinstate effective the date and time of the payment. No coverage is afforded between the cancellation date and time and the reinstatement date and time. A reinstatement fee of \$12.50 will be assessed for each reinstatement. This fee is \$10 if all covered drivers are good drivers.

P16 – P23 – Reserved for future use

P24 – Multi Car

A multi-car discount applies if there is more than one vehicle on the policy.

Refer to Class Plan for discount percentage and coverages to which this discount is applied.

P25 – Multi-Policy Discount

A discount applies if a primary named insured or his or her spouse has a second policy (excluding policies written under the provisions of any residual assigned risk plan or similar plan) for coverage other than personal auto underwritten through Safe Auto Insurance Company.

The availability of the discount is determined at new business and each renewal.

Refer to the Class Plan for discount percentage and coverages to which they apply.

P25 – P41 – Reserved for future use.

P42A – Percentage Use of Vehicle by Rated Driver (Occasional Operator Discount)

A discount applies to policies with an occasional operator. An occasional operator must be under 19 years of age, reside in the named insured's household, and operate all vehicles on the policy less than 50% of the time. The number of drivers must be greater than the number of covered vehicles on the policy, and the number of principal operators must be equal to or greater than the number of covered vehicles on the policy.

Refer to Class Plan for discount percentage and coverages to which this discount is applied.

P42B – Secondary Driver

The number of "eligible-to-be-rated drivers" as specified in the Driver Definitions Rule (D01) is compared to the number of vehicles listed on the policy (regardless of coverage). A factor is applied based on the presence of a secondary driver and years of experience of the secondary driver.

Refer to the Class Plan for factors and the coverages to which they apply.

P43 – P84 – Reserved for future use.

P84 – Minimum Premium

A minimum premium of \$1 will be charged for each individual coverage on a policy, after the application of all discounts.

V01 – Vehicle Symbols

Vehicle symbols will be assigned to all vehicles.

Make symbol: This identifies the vehicle make.
Model symbol: This identifies the vehicle model.
Style symbol: This identifies the vehicle body type, wheel drive, and number of cylinders.
Auxiliary symbol: As set forth in section B, this identifies which vehicle rating factors should be applied if the motor vehicle is not identified in the rate factor pages as defined in section A and are not rated as make, model and style symbols 67, 68 or 69.

- A. The make symbol, model symbol, style symbol, and vehicle model year are used to determine factors as set forth in the rate factor pages.
- B. For new model releases without a model in the previous model year, and for new versions of models from the previous model year, the Company will assign the auxiliary symbol based on the corresponding auxiliary symbol factors. These factors are what the Company believes are most appropriate for the vehicle based on similar vehicle makes and vehicle models. The auxiliary symbol factor will be used until the make symbol, model symbol, style symbol and vehicle model year are filed in the rate factor pages as defined in section A.
- C. Vehicles which require only Liability coverage and are pre-1981 model year vehicles; limited production; exotic; classic or collectible vehicles which do not appear on the symbol list are rated with make, model and style symbol 69.
- D. Grey Market vehicles are rated using the same symbol as would be used for a comparable U.S. vehicle. A copy of the vehicle registration is required for binding to verify that the local jurisdiction's Department of Transportation safety requirements and Environmental Protection Agency emission standards are satisfied.

Refer to the Class Plan for factors and the coverages to which they apply.

V02 – Model Year

The model year of the private passenger automobile is the year assigned by the original automobile manufacturer. If the auto is rebuilt or structurally altered, then the model year of the chassis determines the model year of the automobile.

V03 – V06 – Reserved for future use

V07 – Vehicle Garaging Location Rating - Severity & Frequency Bands

Vehicles are rated based on the zip code in which the vehicle is principally garaged.

Refer to the Class Plan for factors and the coverages to which they apply.

V08 – Fraud Fee

A fee of \$0.88 will be assessed every six months on each vehicle on a policy in order to fund increased investigation and prosecution of fraudulent automobile insurance claims and economic automobile theft.

V09 – Vehicle Use Definitions

Vehicles are classified by their use:

Commuting - vehicles used to drive back and forth to work or school;

Business - acceptable business use vehicles are those vehicles that are:

- a) used by sales or service representatives or for consumer-oriented direct home sales;
- b) used by real estate or insurance agents, lawyers, doctors, accountants or other professionals visiting multiple locations;
- c) used by the insured to transport tools or other materials in a trade or business;
- d) owned by the insured and used by domestic employees; or
- e) used in a business for occasional errands.

V11 – Vehicle Use Surcharge

A surcharge applies for any vehicle classified as acceptable Business Use

Refer to Class Plan for surcharge percentage and coverages to which this surcharge is applied.

V12 – Excess Vehicle

A comparison is made between the number of vehicles and the number of eligible to be rated drivers on the policy. If the number of vehicles exceeds the number of eligible to be rated drivers, an excess vehicle factor is applied to all excess vehicles.

Refer to Class Plan for factor determination and coverages to which a factor is applied.

V13 – Vehicle Annual Mileage

Vehicle annual mileage is based on an estimate by the insured of the number of miles to be driven for the 12 month period following policy inception.

At renewal intervals no less frequent than required by California regulation we request that the insured provide the estimated annual miles he or she expects each insured vehicle to be driven in the next 12 months. For vehicles with expiring term annual mileage below a threshold we have set, the default mileage will equal the expiring term annual mileage plus 1000 miles, up to an annual mileage of 12,000 miles. For all other vehicles, the default will equal the expiring term annual mileage. If the insured does not provide us with the estimated mileage or the supporting information we request pursuant to 2632.5(c)(2)(C), we will use the default mileage to rate the vehicle. The default amount appears in the renewal offer sent to the insured and is used to calculate the rate that appears in the renewal offer. If the insured provides information that does not support the estimate, the Company will review all the information related to mileage and renew the policy using the mileage figure that it determines is most reasonable.

V14 – V80 – Reserved for future use

V81 – Vehicle Tracking System

A discount will be applied to Comprehensive coverage for vehicles with homing devices, as well as tracking systems such as GM's OnStar system. Tracking systems must automatically contact a response center where the process of vehicle recovery begins. They do not include alarms that do not have contact with a center for vehicle tracking.

The discount is not limited to any particular make or model.

The discount will remain at renewal.

Refer to Class Plan for discount percentage.