

# Auto

## Product & Underwriting Guidelines



**drive**<sup>®</sup>

INSURANCE FROM **PROGRESSIVE**

# Drive Insurance from Progressive

Drive® is a brand designed expressly to promote you, the independent agent and broker, and all the benefits you offer – local, personalized, in-person service and advice – along with the competitive products and superior services Drive offers to consumers.

## **DRIVE MAKES IT EASY FOR YOU—AND YOUR CUSTOMERS**

### **With Technology:**

**ForAgentsOnly.com (FAO)**, our agency-dedicated Web site – makes it even faster and easier for you to manage your Drive business and provide service for your customers – all with just a few clicks of the mouse!

- Get a summary of your Drive business as soon as you log in to the site. See which policies need service and what's needed, check policy and claims activity and much more.
- Process endorsements and quotes, make customer payments, view your commission statement and monitor profitability and quality reports.
- Receive and manage your Drive referrals. Agents across the country report the sale of thousands of policies each month from referrals they get from our innovative referrals program.

**driveinsurance.com** – gives your customers the ability to view their policy information and perform routine transactions 24 hours a day. And, while on the site, your customers will see your contact information – including your agency name, address and phone number – throughout.

### **With Service:**

**24-Hour Progressive Claims Service** – Everywhere we do business, we focus on making the claims process easy for your customers. Your customers can choose to use our network of approved repair shops or, where available, our concierge level of claims service at our Service Centers. We'll get to work on their claims fast, communicate clearly throughout the process and handle their claims from beginning to end. To report a claim, your customers can call 1-800-925-2886, 24 hours a day, 7 days a week.

**Customer Service** – We encourage your customers to contact you during your normal business hours for personalized service and advice on their Drive policies and for all their insurance needs. To complement the service you provide, we also offer your customers:

- Convenient 24-hour policy access at [driveinsurance.com](http://driveinsurance.com), so they can make payments, report or check the status of a claim, update their address, etc.
- Our automated customer service number, 1-800-876-5581, so they can access billing information and make fast, easy payments.
- E-mail service that allows them to choose if they'd like to receive e-mail billing reminders, payment confirmations and more.

### **And, With a Wide Range of Products:**

No matter what vehicles your customers own, we can insure them. In addition to being the number one Auto insurance sold through independent agents and brokers, Drive Insurance is also the number one writer of Motorcycle and Personal Watercraft insurance, the number one writer of RV insurance through independent agencies, and a leading writer of Commercial Auto and Boat insurance.

Remember to quote Drive Insurance every time. You'll be glad you did, and so will your customers!

If you have any questions, please contact your territory sales manager, or call our 24-Hour Agency Services team at 1-877-776-2436.

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## Reference Information

### AGENT REFERENCE INFORMATION

#### ForAgentsOnly.com (FAO)

FAO is the Drive® agency-dedicated Web site. Use it to:

- Quote and sell new policies.
- Process policy changes online.
- Make customer payments.
- View and print up-to-date policy documents, ID cards and declarations pages.
- Get referrals.
- Check the status of your customer's claims.
- Access your commission statement.
- Monitor your agency's production and loss reporting numbers and quality measures.

**Our exclusive toll-free agency service and agency supply phone number** .....1-877-776-2436

**Customer service and new business documentation fax number** .....1-800-229-1590

**North Carolina Territory Sales Managers** .....1-800-274-4055

Mark Benchabbat - Raleigh, Greensboro and Northeastern NC (mark\_benchabbat@driveinsurance.com).....Extension 54481

Chad Ehlers – Central NC (Charlotte) (chad\_ehlers@driveinsurance.com) .....Extension 54344

Pete Leonard – Southeastern NC (Wilmington) (peter\_a\_leonard@driveinsurance.com) .....Extension 54514

Andrew Davis – Western NC (Asheville) (andrew\_davis@driveinsurance.com) .....Extension 54390

**Regional Sales Manager** Keith Vickers (keith\_vickers@driveinsurance.com).....Extension 54394

**Product Manager** Chris Skorcz (christopher\_s\_skorcz@driveinsurance.com) .....1-804-364-6759

### CUSTOMER REFERENCE INFORMATION

**Online Service** .....driveinsurance.com

Your customers can go to driveinsurance.com to:

- Make payments.
- Check the status of a claim.
- Quote policy changes.
- Print policy documents.

**Automated Customer Service** .....1-800-876-5581

Make a payment by credit card or debit card or by check, verify last payment received, due date and amount of next payment

**Our 24-hour toll-free claims reporting and customer service phone number** .....1-800-925-2886

**Customer fax number**.....1-800-229-1590

**24-hour Roadside Assistance service**.....1-800-776-2778

### ADDRESSES

#### Correspondence Address\*

Drive Insurance  
P.O. Box 6807  
Cleveland, OH 44101-1807

#### Overnight Delivery Address

Drive Insurance  
6300 Wilson Mills Road – PS  
Mayfield Village, OH 44143-2109

\*Payments with coupons should be mailed to the address shown on the coupon. Payments without coupons should be mailed to the correspondence address.

### AGENT COMMISSION

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New Business	10%	Renewal Business	10%
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## UNACCEPTABLE FOR LIABILITY COVERAGES

The following risks are NOT eligible for the North Carolina Personal Automobile Program:

- vans, pickups or utility vehicles with load capacity in excess of 2,000 lbs. (1 ton) or vehicles with GVW in excess of 10,000 lbs.;
- vehicles used for any commercial business use, retail business use, wholesale business use, and/or vehicles used primarily for the transportation of goods;
- vehicles used for limousine or taxi service, or other livery;
- vehicles used for emergency, rescue, police, fire department, security, or governmental services;
- vehicles with more than 2 axles;
- commercial or commercial type vehicles such as step vans or panel vans.

## UNACCEPTABLE FOR PHYSICAL DAMAGE COVERAGES

The following risks are not acceptable for Physical Damage Coverage in our private passenger auto program.

### Unacceptable Insureds/Drivers:

- applicants who are not eligible for rating;
- drivers under the minimum age for state licensing;
- drivers with an out-of-state license at first renewal (except student/military & their spouse);
- students who temporarily reside out of state are acceptable provided they are not the named insured, the state where the vehicle is garaged is not Michigan, and there is at least one other vehicle on the policy garaged in North Carolina;
- drivers with a permit license for more than 18 months;
- drivers without a garaging address;
- applicants who have been convicted of insurance fraud;
- applicants who have had a policy canceled or nonrenewed by us due to fraud or misrepresentation in connection with an application for insurance or in the presentation or settlement of a claim;
- applicants who have had a policy canceled or nonrenewed by us because of a fraudulent payment in connection with an application for insurance or a policy.

### Unacceptable Vehicles:

- 1980 and older autos, pickups, vans and utility vehicles;
- vehicles with a principal out-of-state garaging location in Michigan;
- vehicles used for:
  - racing;
  - carrying persons or property for compensation or a fee, including, but not limited to, limousine, taxi, or other livery services (does not apply to shared-expense car pools), pick-up or delivery of magazines, newspapers, food or any other products; or
  - emergency services;
- vehicles:
  - equipped with altered suspensions, which are suspensions that are homemade, custom-built, or modified, and include lift

kits greater than four inches (usually installed on off-road vehicles or street rods). However, lift kits of four inches or less and low riders with hydraulics are acceptable if registered for street use;

- with snowplowing equipment;
- not registered for street use; or
- equipped with cooking equipment or bathroom(s);
- pickups, vans, or utility vehicles with a gross vehicle weight rating (according to the manufacturer's specifications) greater than 10,000 pounds;
- vehicles with a load capacity exceeding one ton or with a gross vehicle weight greater than 10,000 pounds;
- commercial auto types, including, without limitation, step vans and panel vans;
- vehicles leased or rented to others by the applicant;
- any vehicles that are regularly available to non-listed drivers;
- pickup trucks or vans owned or leased by a partnership or corporation.

### Unacceptable Policies:

- policies with a household resident who is not a rated operator and has a suspended or revoked license;
- policies with a non-rated, unlicensed household resident who is NOT one of the following:
  - person age 55 or older who is unlicensed and DOES NOT DRIVE THE INSURED VEHICLES;
  - named insured, spouse, or other household resident who is physically or mentally disabled and DOES NOT DRIVE THE INSURED VEHICLES;
  - spouse of the named insured who has never been licensed and DOES NOT DRIVE THE INSURED VEHICLES;
  - person has not reached the age of 16 and DOES NOT DRIVE THE INSURED VEHICLES. Such persons who are 15 years of age should be listed and designated as Never Licensed;

All operators of our insured vehicles and all household residents 15 and older must be listed on our policy or it will be considered material misrepresentation.

- policies with partnerships, corporations or any other legal entities listed as a named insured or additional named insured if a pickup truck or van is a covered auto;
- policies with two or more vehicles used in the business of installing, maintaining, or repairing furnishings and equipment;
- policies where there is any material misrepresentation on the application. Misrepresentation includes, but is not limited to: unreported violations, unlisted drivers, incorrect vehicle information, inaccurate garaging information, etc.;
- policies where Comprehensive only (without liability) is requested;
- policies not eligible for the North Carolina Personal Automobile Policy as defined by the North Carolina Rate Bureau;
- policies with more than 26 SDIP points;
- policies for which Drive's Physical Damage premium would be greater than 550% of Rate Bureau Zero Point Physical Damage rates.

# Vehicle Descriptions

## VEHICLE DESCRIPTIONS

### Private Passenger Auto Definition

The term "private passenger auto" means a four-wheel passenger vehicle, including cars, pickup trucks, vans and utility vehicles, owned or leased by the named insured or a resident relative which is not used for public or private livery conveyance or for delivery or transportation of goods or materials unless such use is incidental to the insured's business of installing, maintaining, or repairing furnishings or equipment or incidental to farming or ranching.

### High Value Vehicles

All vehicles valued over \$50,000 and requesting physical damage coverage must be inspected by the agent. Photos of all four (4) sides of the vehicle are required and should be retained in your files. We will accept the Bill of Sale or sales sticker instead of photos for brand new vehicles only.

### Unlisted New Model Releases

For new model releases that do not appear on the symbol list, select "Unlisted New Model Releases" from the vehicle type list. Your quoting system will prompt you for the Original Cost New of the vehicle in order to determine the ISO vehicle symbol and will prompt you to call us for Drive symbols. Original Cost New means the purchase price of the vehicle when originally purchased as a brand new vehicle.

### Conversion Vans, Customized Vans & Pickups, & Autos with Custom Equipment

There is no coverage for custom parts, furnishings, and equipment on 1991 or newer conversion vans or customized vans or pickups unless endorsement Form NC 03 18 (Ed. 5-94), Coverage for Damage to Your Auto (Maximum Limit of Liability, Including Customizing Equipment Coverage), is added to the policy. This endorsement may be added to the policy only if and when a 1991 or newer pickup or van is identified as a customized vehicle; the Original Cost New, including custom parts, furnishings, and equipment is declared; and applicable premium is paid.

Conversion vans and customized vans or pickups with an Original Cost New (including custom parts, furnishings, and equipment) of more than \$150,000 are unacceptable. A conversion van is a standard van from a factory with a conversion package applied by a professional van conversion company. The Original Cost New must include any of the following special equipment:

1. Special carpeting and insulation, furniture, or bars;
2. Facilities for cooking or sleeping;
3. Height-extending roofs, toppers, or ladders;
4. Custom windows, murals, paintings, or other decals or graphics.

No coverage is provided for audio, visual, or data electronic equipment or for tapes, records, discs and other media.

To quote these vehicles, select "1991 or Newer Customized Vans or Pickups" from the Vehicle Types list in your quoting system, then enter make, model, and Original Cost New. Original Cost New means the purchase price of the vehicle when originally purchased as a brand new vehicle. To add one of these vehicles mid-term, you must inform the customer service representative that the vehicle is customized and also declare the Original Cost New, including custom parts, furnishings, and equipment. Failure to follow this procedure will result in there being no coverage provided for custom parts, furnishings, and equipment in the event of a loss.

Autos and 1990 and older pickup trucks and vans with over \$1000 in non-factory installed parts, furnishings or equipment are not eligible for physical damage coverages. To list these vehicles for liability only, select "Auto or 1990 and Prior Customized Vans or Pickups > \$1000 Custom" from the Vehicle Types list in your quoting system.

Physical damage coverage on conversion or customized vehicles and Unlisted New Model Releases extends up to the lesser of actual cash value, the specified Original Cost New, or the actual cost to repair.

## NAMED OPERATOR POLICY

- A named operator policy provides liability protection to an individual who does not own a vehicle, nor have access to any personal use vehicle on a regular basis including vehicles owned by household members.
- No member of the named operator's household may own or have access to a vehicle on a regular basis.
- Coverage does not apply to vehicles owned by the insured.
- Coverage applies only to the person listed on the declarations page and does not extend to household members.
- BI/PD, Med Pay, UMPD, and UM or UM/UIM are the only coverages written.
- Physical Damage coverage is not available.
- Business use is unacceptable.
- Filings are acceptable (operator only).
- Higher liability limits are acceptable.

## GARAGING ZIP RATING

Just enter the ZIP code where the vehicle is principally garaged and your quoting system will automatically assign the proper rating factor.

Your quoting system may automatically verify the garaging ZIP code as part of the point of sale process. If it cannot verify the ZIP code, you may be required to fax proof of the garaging address to Drive Insurance. A message on your quoting system will list acceptable forms of proof. If the proof is not sent or does not support the garaging address on the policy, the rate may change.

### ACCEPTABLE BUSINESS USE (SURCHARGE APPLIES)

#### Private Passenger Autos:

- Private passenger automobiles individually owned or leased by the applicant and used in his/her business/occupation are acceptable, provided the business/occupation, vehicle type and usage are acceptable.
- Private passenger automobiles (not trucks or vans) owned by corporations/partnerships are acceptable provided the usage is acceptable. Liability is ceded to the NC Reinsurance Facility. Corporations and "D.B.A." (does business as) may not be listed as additional insureds.

#### Trucks or Vans:

- Vehicles with a load capacity of over 1 ton (10,000 lbs. GVW) with business use are unacceptable.
- All pickups, vans and utility vehicles used in business are **unacceptable** unless they meet all of the following guidelines:
  1. The vehicle is owned by an individual or by a husband and wife or individuals who are residents of the same household;
  2. The vehicle has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 lbs.; and
  3. The vehicle is not used for the delivery or transportation of goods or materials unless such use is:
    - a. Incidental to the insured's business of installing, maintaining or repairing furnishings or equipment; OR
    - b. For farming or ranching.

Failure to disclose business use may be considered material misrepresentation and could result in coverage denial.

#### Acceptable business use includes, but is not limited to:

- vehicles used by sales or service representatives, or for consumer oriented direct home sales (e.g., Avon, Mary Kay, Tupperware);
- vehicles used by real estate or insurance agents, lawyers, doctors, accountants or other professionals visiting multiple locations;
- vehicles owned by the insured and used by domestic employees (e.g., maids, chauffeurs);
- vehicles used in a business for occasional errands.

#### Unacceptable business use includes, but is not limited to:

- pick-up or delivery of goods (including, but not limited to, newspapers, pizza or other food items), limousine or taxi services, and livery conveyance, including not-for-hire livery (see also Unacceptable Risks on page 3);
- vehicles with a load capacity of one ton or more.

### PLEASURE, COMMUTE AND FARM USE

**Pleasure (1A):** vehicles not used for business/commercial purposes or commuting to work or school.

**Commute, Less than 10 Miles (1B):** vehicles used to drive back and forth to work or school and the one-way distance is less than 10 road miles.

**Commute, 10 Miles or More (1C):** vehicles used to drive back and forth to work or school and the one-way distance is 10 road miles or more.

**Farm (1AF):** vehicles used primarily on a farm, ranch, or orchard.

## Vehicle Symbols

We use ISO vehicle symbols developed for the rate bureau. The symbols are automatically generated by your quoting system.

Please ensure that the Vehicle Identification Number (VIN) is correct since symbols will be assigned based on the VIN.

**1980 and older models, stated amount vehicles, and named operator policies:** simply type in the information requested in your quoting system and the correct symbol will automatically be assigned.

# Driver Information

All members of the household who are of eligible driving or permit age must be listed (whether they drive or not).

## DRIVER INFORMATION

### Household Resident & Driver Disclosure

- ALL individuals 15 years or older, licensed or not, living with the insured, and all individuals 15 years or older who regularly operate any vehicle on the policy, must be listed on the application.
- Notify us immediately of any change or pending change in license status; e.g.:
  - Unlicensed resident or driver receives permit;
  - Permit driver applies to agency for DL-123;
  - Driver's license is suspended;
  - Suspended driver's license is reinstated.
- We will rate on all individuals in the Named Insured's household and all individuals who operate the insured's vehicles unless the individual is listed on the application and is an acceptable non-rated household resident.

### Non-Rated Household Residents

All residents of the household who are of eligible driving or permit age must be listed on the policy. According to state regulations, drivers may not be excluded from a private passenger auto policy. Under certain circumstances, however, you may designate an individual's driver status as other than "rated." Such individuals are not included in the rating criteria. The following are the only acceptable reasons to be classified as other than "rated":

- a. Persons aged 55 or older who are unlicensed and DO NOT DRIVE THE INSURED VEHICLES.
- b. Named Insured, spouse, or other household family member who is physically or mentally disabled and DOES NOT DRIVE THE INSURED VEHICLES.
- c. Spouse of the named insured who has never been licensed and DOES NOT DRIVE THE INSURED VEHICLES.
- d. Household resident who is 15 years of age and DOES NOT DRIVE THE INSURED VEHICLES.
- e. Household resident who possesses a learner's permit only.
- f. Household resident (other than principal named insured) with a suspended or revoked license and no driving privileges.

**Note:** Physical damage coverage is not acceptable.

- g. A licensed household family resident if and only if all of the following requirements are met:
  - i. S/he does not own or co-own any of the vehicles on the policy;
  - ii. S/he does not regularly or frequently operate a vehicle on the policy;
  - iii. S/he owns or operates a vehicle not listed on the policy;
  - iv. S/he is insured on another auto policy insuring such vehicle and offering comparable limits of liability;
  - v. S/he is not a spouse of the named insured or a spouse of any other driver on the policy.

The driver status for such persons should be designated appropriately.

**Fraudulent use of the driver status description or willful failure to inquire about and disclose all individuals in the household will result in agency termination.**

### Second Named Insured

Two named insureds may be listed on a policy. A second named insured can be designated by entering "yes" in the Second Named Insured field in your quoting system. The designated individual will be shown as Second Named Insured on the declarations page. The second named insured does not have to be the named insured's spouse.

### Driver Marital Status

Only those drivers who are legally married or deemed married by state law will be rated as married. Drivers who are single, widowed, legally separated, divorced, or in a same-sex relationship should be rated as single.

### Occasional Operator

A driver living in the household with less than three years of licensed driving experience who operates all vehicles on the policy less than 50 percent of the time may be classified as an occasional driver if:

- there are more ratable drivers than vehicles on the policy; and
- there are at least as many principal operators on the policy as there are vehicles.

## DRIVER/VEHICLE ASSIGNMENT

- Any inexperienced operator surcharge, as defined by the North Carolina Rate Bureau's Personal Automobile Manual, is assigned to the vehicle customarily operated by the inexperienced operator. If more than one inexperienced operator drives a single vehicle, the lowest inexperienced operator surcharge applicable to the vehicle is applied to another vehicle on the policy (if another vehicle exists on the policy). Only one inexperienced operator surcharge will apply to any given vehicle.
- All drivers must be assigned to a vehicle or the assignment must be designated as "unknown." Drivers with less than 3 years of licensed driving experience may not be designated as "unknown." Multiple drivers can be assigned to the same vehicle.

## LICENSE STATUS/TYPES

### Suspended or Revoked License

Select the applicable license status in the license status field on your quoting system. **Note:** If the driver has a suspended license but has been granted driving privileges, select "SUSPENDED—DRIVING PRIVILEGES." If the suspended operator is obtaining insurance in order to have their license reinstated, select license status as "VALID" AND upload a Note to Drive documenting the situation. Physical damage will be canceled and the liability will be ceded if an explanation is not uploaded. Household residents, other than the principal named insured (driver 1), with a suspended license without driving privileges must be designated as "suspended or revoked."

### Foreign (FDL) and International Driver's Licenses

If an operator has a foreign or international license, the driver's record must be coded with an "FDL" code. Enter "FDL" into the quoting system. The driver will be assigned 0 years of experience. If the driver is from Canada or Puerto Rico, Drive will attempt to procure a valid motor vehicle report from the Canadian provincial or Puerto Rican agencies responsible for maintaining such reports. If Drive successfully procures such a report, the driver's years of experience will be updated accordingly. If Drive cannot procure such a report, the driver's years of experience will remain 0. At each annual anniversary of the policy's inception, we will increment the years of experience by one.

If the driver is from a foreign country other than Canada or Puerto Rico, the years of experience will be assumed to be 0. At each annual anniversary of the policy's inception, we will increment the years of experience by one.

The FDL code will remain on the records of all foreign drivers until they obtain a domestic driver's license and we confirm that by procuring a valid motor vehicle report.

### DL-123 INFORMATION

You are authorized to issue a DL-123 listing Drive as the insurer only for drivers who have been added to a Drive policy as a rated driver. Do not issue the DL-123 until you have called us to add the driver. If the new driver fails the driver's test, please call us to let us know the driver's license status should be reclassified as "permit."

For new business applications, upload a Note to Drive indicating any drivers for whom a DL-123 is issued if the driver is a new driver or if the driver's license is being reinstated after revocation. For DL-123s issued mid-term, inform the Drive customer service representative if the DL-123 is issued for a new driver or for a driver seeking license reinstatement. We do not need to be informed of DL-123s issued for drivers whose license is simply renewing. A printable version of the DL-123 form can be found on ForAgentsOnly.com.

### FILING INFORMATION (SR-22S)

Even though the State of North Carolina does not use or require SR-22 filings, we will issue filings for drivers that require them for states other than North Carolina subject to the following guidelines:

Filings will be provided for all U.S. locations **EXCEPT** Delaware, Kentucky, Maryland, Massachusetts, Michigan, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Pennsylvania and West Virginia.

The liability limits must meet statutory limits for the state requiring the filing.

The name on the filing **must appear exactly as it reads on the driver's license.**

Filings are not available for a driver with an unverifiable driving record. If we are unable to verify the driving record of a driver requiring a filing, the policy is subject to cancellation.

### FS-1 Information

FS-1 forms will automatically be issued by Drive. However, if you need to manually issue one because of time constraints, please call Customer Service.

<u>Drive Company</u>	<u>FS-1 Code</u>
Progressive Southeastern	P46
Progressive Northern	P45

## Violations/Accidents

### Chargeable Date and Period

- We use the conviction date to determine chargeability of violations and the occurrence date for accidents.
- The chargeable period for violations is the 36 months prior to the effective date of the policy.

### Verification

We use ChoicePoint's Comprehensive Loss Underwriting Exchange (CLUE) reports and/or MVRs to verify accidents and violations.

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Please explain to the applicant the importance of providing full and accurate information to avoid a premium uprate or policy cancellation.

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### Unverifiable Driving Record (UDR)

If we are unable to secure an MVR from our normal MVR provider, the driver's record must be coded with a "UDR" (Unverifiable Driving Record). This code will be removed only if Drive obtains a verifiable motor vehicle report from the Division of Motor Vehicles or from the governmental entity responsible for maintaining driver's license records.

### Multiple Violations

If a conviction and accident result from the same occurrence, determine whether the conviction or the accident has the most SDIP points. If the accident has the most SDIP points, enter the accident occurrence date for both the accident and the accompanying violation. If the violation has the most SDIP points, enter the violation conviction date for

both the violation and the accident. If the accident and the violation have the same SDIP points, enter the occurrence date of the accident for both the accident and the violation. If the dates match, the system will charge only for the highest rated of the accident or violation.

### Prayer For Judgement Continued

If any Prayer for Judgement Continued has been received as a result of any violation, select the violation and input the conviction date and select the PJC violation code and input the same date.

### Not-At-Fault Accidents (NAF)

- All accidents are considered at-fault unless proof of not-at-fault is provided.
- Examples of proof of NAF documents include:
  - a copy of the police report or court documents;
  - a letter from the previous carrier; or
  - any other documentation which proves not-at-fault.

We will also accept details of NAF from the agent or customer such as:

- The vehicle was lawfully parked at the time of the accident.
- The accident was caused by collision with a bird or animal.
- The vehicle was struck by a "hit-and-run" driver and the accident was reported to the proper authorities within 24 hours.
- The owner or operator of the insured's vehicle was reimbursed (or received judgment against another) for more than 50 percent of the property damage.

Please keep these documents in your agency files.

# Violation Points Quick Reference Chart

Please enter all violations. Your quoting system will automatically assign points where appropriate.

The following is a quick reference chart of violations in alphabetical order (does not reflect all possible violations).

Please note that these are points assigned by us for rating, they are not MVR violation points. These point assignments, along with the age of the violations, are used to determine the violation surcharge.

DRIVE CODE	SDIP POINTS	STATE CODE	VIOLATION DESCRIPTION	DRIVE CODE	SDIP POINTS	STATE CODE	VIOLATION DESCRIPTION
AF2	3		Accident — Personal Injury \$1,801 or more or Property Damage \$3,000 or more	MMV	1	303	Fail to comply w/restrictions
AF1	2		Accident — Personal Injury \$0 to \$1,800 and Property Damage \$1,801 to \$2,999	Do Not Charge	0	231	Fail to display license
AAF	1		Accident — Personal Injury \$0 to \$1,800 and Property Damage \$0 to \$1,800	MMV	1	211	Fail to give signal
ATF	8	510	Aggressive Driving	MMV	1	214	Fail to reduce speed
NAF	0		Accident-Not-At-Fault	FRA	1	304	Fail to report accident
SLV	1	617	Allowing false app	MMV	1	212	Fail to sound horn
LIC	1	201	Allow unlicensed person to drive	DEV	1	250	Fail to stop at R/R crossing
MMV	1	624	Assault with motor vehicle	MMV	1	305	Fail to stop for siren or red light
DWI	12	639	BAC 0.04 or more	MMV	1	216	Fail to use truck route
DWI	12	620	BAC 0.10 or more	FTY	1	306	Fail to yield
MMV	1	204	Blocking traffic	SLV	1	616	False application
MMV	1	621	Convicted of death by a motor vehicle	FEL	1	636	Felony - using a motor vehicle
MMV	1	249	Crossing median	SLV	1	613	Fictitious license
HOM	12	628	Death by vehicle involving DWI	FIL	0		Financial responsibility filing
SUS	8	238	Driving after license revoked	MMV	1	217	Following fire truck
SUS	8	237	Driving after license suspended	FTC	2	402	Following too close
MMV	1	203	Driving below minimum speed	FDL	0		Foreign/international driver's license
MMV	1	225	Driving left of center	DWI	12	640	Habitual impaired driver
LIC	1	209	Driving no chauffeur license	LTP	4	410	Hit and run
LIC	1	207	Driving no chauffeur license < 1 yr	LTS	12	608	Hit and run - personal injury
LIC	1	301	Driving no operator license > 1 yr	LTP	4	403	Hit and run (PD)
LIC	1	302	Driving no operator license	IP	2	409	Illegal passing
LIC	1	206	Driving no operator license < 1 yr	MMV	1	242	Impeding traffic
WSR	2	401	Driving on wrong side of road	MMV	1	218	Improper brakes
MMV	1	205	Driving on yellow line	MMV	1	235	Improper signal
MMV	1	210	Driving too fast for conditions	MMV	1	221	Improper towing
DWI	12	615	Driving under influence	IT	1	222	Improper turn
DWI	12	626	Driving under the influence - moped or bicycle	MMV	1	223	Improper use of lane
DWI	12	623	Driving under the influence of drugs	DWI	12	627	Instructing while under the influence
DWI	12	625	Driving while impaired	HOM	12	609	Involuntary manslaughter
DWI	12	632	Driving while impaired - moped or bicycle	FEL	1	602	Larceny
DWI	12	607	Driving while intoxicated	LTS	12	610	Leaving the scene - personal injury
SUS	8	633	Driving while license revoked-viol ltd. privilege	LTP	4	407	Leaving the scene - property damage
SUS	8	606	Driving while revoked	SLV	1	603	Lending license
SUS	8	601	Driving while suspended	HOM	12	611	Manslaughter
MMV	1	252	Erratic lane change	HOM	12	629	Manslaughter involving DWI
MMV	1	239	Exceeded safe speed	MDI	4		Minor driving under the Influence
Do Not Charge	0	619	Failed to comply with citation - out of state	MMV	1	245	MC fail to burn headlamp
MMV	1	244	Fail to burn headlamp	MMV	1	246	MC fail to burn taillight
				MMV	1	247	MC fail to wear helmet
				MMV	1	251	MC overload/crowd
				LIC	1	317	No MC endorsement
				MMV	1	225	One-way street
				MMV	1	248	Overloaded/crowded vehicle
				SCH	4	501	Passed stopped school bus
				PJC	0		Prayer for Judgment continued
				DR1	12	612	Prearranged racing

## Violation Points Quick Reference Chart (Cont'd)

DRIVE CODE	SDIP POINTS	STATE CODE	VIOLATION DESCRIPTION	DRIVE CODE	SDIP POINTS	STATE CODE	VIOLATION DESCRIPTION
BA1	1	630	Provisional licensee - alcohol or drugs	SP2	2		Speed 1-10 MPH over, 60 limit
DR	10	604	Racing	SP2	2		Speed 1-10 MPH over, 55 limit
RKD	4	408	Reckless driving	SP1	1		Other Speed
RKD	4	411	Reckless driving	SP1	1		Speeding - Unknown
REF	0	786	Refused chemical test	SP1	1	314	Speeding - School Zone
REF	0	94	Rev-refuse chemical test	SP1	1		Speeding in a highway work zone
DEV	1	308	Running red light	SPD	1	S09	Speed 1-10 MPH over, less than 55 limit
DEV	1	309	Running stop sign	FLE	10	622	Speeding to elude arrest
MMV	1	227	Safe movement violation	DEV	1	310	Stoplight violation
MMV	1	312	Safety zone violation	DEV	1	311	Stop sign violation
HOM	12	637	Second degree murder - DWI	RVT	0	28	Ten or thirty day revocation
SP4	4	S10	Speed over 99 MPH	DEV	1	316	Traffic signal violation
SP4	4	S01	Speed over 75 MPH, less than 70 limit	MMV	1	318	Transporting open container after consuming
SP4	4	S04	Speed 11 or more MPH over, 65 limit	MAJ	12	605	Transport intoxicants
SP4	4		Speed over 80 MPH	SLV	1	614	Unlawful use of license
SP3	2	S06	Speed 11 to 15 MPH over, 60 limit	UDR	0		Unverifiable driver record
SP3	2	S06	Speed 11 to 20 MPH over, 55 limit	XPT	12		Violation code override (more than 12 incidents)
SP3	2	S05	Speed 11 to 25 MPH over, 50 limit	Do Not Charge	0	233	Violation motor vehicle law
SP3	2	S05	Speed 11 to 30 MPH over, 45 limit	SLV	1	618	Violation of limited privilege
SP3	2		Speed 56 to 75 limit < 45 limit				
SP2	2		Speed 1-10 MPH over, 70 limit				
SP2	2	S07	Speed 1-10 MPH over, 65 limit				

Our underwriting method takes many factors into account when developing a rate. These factors include:

## 1) Prior Insurance:

- Prior insurance means the named insured has proof of private passenger automobile liability insurance which verifies that the previous policy covered the named insured or spouse and provided six months' continuous liability coverage. Prior limits are those limits in force on the policy for a minimum of six months.
- Includes lapse days and prior limits.
- If appropriate, your quoting system will prompt you to fax in proof.

**Our experience has been that when policyholders cancel and then rewrite their policy with us, our loss experience is poor. Because of that, we cannot accept a Drive or Progressive company as proof of prior except under one or more of the following circumstances:**

- The named insured has moved from one state to another.
- A child purchasing his/her own policy, coming from a parent's policy with a Drive or Progressive company.
- A parent purchasing his/her own policy, coming from a child's policy with a Drive or Progressive company.
- A spouse recently separated or divorced from a Drive or Progressive named insured.
- Customer coming from a Drive or Progressive Commercial Auto policy. **Note:** The customer must have been the named insured on the Commercial Auto policy.
- Customer's prior insurance policy was written by a Progressive Direct company.
- Fifth-car policy.
- The customer is a long-term (two years or more) insured with us, with a short coverage lapse (less than 30 days).
- The customer's policy has canceled or lapsed due to an overseas military deployment. This is only valid for military personnel who are deployed out of the country for war or other military action that is not part of their regular training duties. **Note:** To ensure that customers who qualify for this are not penalized for a lapse in coverage, the agent must make the prior insurance expiration date the same as the effective date of the current insurance.

## 2) Non-chargeable Incidents:

- Non-chargeable incidents include comprehensive losses of \$1,000 or more, not-at-fault accidents, and Med Pay, PIP, UM, UM/UIM and UMPD losses.

## 3) Financial Responsibility:

- To order this information, simply follow the instructions in your quoting system. Please be sure to read the customer the short disclosure that appears on the screen.
- You cannot upload an application if you do not order financial responsibility.
- Be sure to include full name, address and social security number to avoid inaccurate or unavailable financial responsibility information. **(A customer has the right not to provide his/her social security number, but this may result in unconfirmed financial responsibility.)**
- We use Trans Union and/or Experian and/or Equifax as our supplier of financial responsibility information.
- You will not receive any information contained in the customer's credit report; it is ordered, received and used exclusively by us through a mainframe computer.
- A customer who suspects inaccuracies in his/her credit report can obtain a copy of the report by calling the credit bureau after the confirmation is completed. Agents cannot request this information – only the customer may contact the credit bureau vendor.
- See Quote Status/Consumer Information tab for the credit vendor's address and telephone number.

## REMARKETING

After 24 months, all policies will automatically be re-underwritten using the current new business underwriting rules, and moved to the best market/tier they would now qualify for, provided they have maintained a clean payment and violation/accident history. If a policy is moved to a better tier, it will be re-evaluated again in another 24 months. Policies not moving to a better tier will be re-evaluated for movement at each subsequent renewal.

Policies can only be moved to a tier that is better for the customer. Policies will never be re-underwritten to a worse tier.

BI/PD LIMITS	UNINSURED MOTORIST LIMITS	COMBINED UM/UIM LIMITS	UMPD LIMITS
30/60/25	30/60	50/100	25
30/60/50	50/100	100/100	50
50/100/25	100/100	100/200	100
50/100/50	100/200	100/300	300
100/300/25	100/300	250/500	500
100/300/50	250/500	300/300	
100/300/100*	300/300	500/500	
250/500/50*	500/500	500/1M	
250/500/100*	500/1M	1M/1M	
100 SLL	1M/1M		
300 SLL			
500 SLL			
<ul style="list-style-type: none"> <li>• BI/PD is required for all vehicles on the policy.</li> </ul> <p>*May require Form NCRF-31 (Ed. 10/01) – Certification of Higher Coverage Limits.</p>	<ul style="list-style-type: none"> <li>• If UM coverage is rejected, Form NC 01 85 (Ed. 7-91) – UM and UM/UIM Selection/Rejection – will print after the application and must be completed and faxed to Drive.</li> </ul>	<ul style="list-style-type: none"> <li>*Only available when policy BI limit exceeds 30/60.</li> <li>• If Combined UM/UIM coverage is lower than BI/PD, Form NC 01 85 (Ed. 7-91) – UM and UM/UIM Selection/Rejection – will print after the application and must be completed and faxed to Drive.</li> </ul>	<p><b>MEDICAL PAYMENTS</b></p> <p>\$500 \$750 \$1,000 \$2,000 \$5,000 \$10,000</p> <ul style="list-style-type: none"> <li>• The \$5,000 limit requires Form NCRF-31 (Ed. 10/01) – Certification of Higher Coverage Limits.</li> <li>• The \$10,000 limit is only available on retained policies.</li> </ul>

COMPREHENSIVE DEDUCTIBLES	COLLISION DEDUCTIBLES	EMERGENCY ROADSIDE ASSISTANCE	RENTAL REIMBURSEMENT
\$0	\$25	\$100 per disablement	\$30 per day/\$900 max.
\$50	\$50		\$50 per day/\$1500 max.
\$100	\$100		
\$250	\$250		
\$500	\$500		
\$1,000	\$1,000		
<ul style="list-style-type: none"> <li>• Comprehensive with Liability may be purchased without Collision.</li> </ul>	<ul style="list-style-type: none"> <li>• Collision may not be purchased without Comprehensive.</li> </ul>	<ul style="list-style-type: none"> <li>• Comprehensive and Collision coverage are required.</li> <li>• Emergency Roadside Assistance is included as part of Towing and Labor coverage at no additional cost. Roadside Assistance provides payment for an authorized service representative to provide:               <ol style="list-style-type: none"> <li>(1) towing of a covered disabled vehicle to the nearest qualified repair facility; and</li> <li>(2) labor on a covered disabled vehicle at the place of disablement, including:                   <ul style="list-style-type: none"> <li>- battery jump-start</li> <li>- flat tire change</li> <li>- emergency fuel and fluid delivery*</li> <li>- locksmith service* when necessary due to a covered emergency.</li> </ul> </li> </ol> <p>* Customer would pay only for the cost of the fuel/fluids and keys.</p> </li> </ul>	<ul style="list-style-type: none"> <li>• Comprehensive and Collision coverage is required.</li> </ul>

## Billing & Payment

### ELECTRONIC FUNDS TRANSFER (EFT)

We are pleased to offer our customers the option of paying their auto insurance installments the easy way, with electronic funds transfer (EFT).

With EFT, your customers' monthly payments are withdrawn automatically from their checking account. As a result, your customers don't have to remember to send in a payment every month, and they enjoy lower down payments and monthly installment fees.

- When you select EFT during the sale, simply enter the requested banking information in your quoting system and installments will automatically be withdrawn from your customer's checking account.
- We will send a billing schedule to your customer specifying the amount and date of each withdrawal. No "paper bill" will be sent. Encourage your customer to access their billing schedule on [driveinsurance.com](http://driveinsurance.com).
- We will send a revised schedule if there is a policy change that affects the premium.
- **EFT does not apply to down payments** - Express money transfer (or customer credit card) will still be required.
- You can now easily and quickly add EFT to your customer's policy mid-term via FAO. Just log on to the site and go to the Manage My Policies menu.

### FLEXIBLE MONTHLY BILLING

- Your customer can pay any amount from the minimum amount due to the total remaining balance.
- Any payment in excess of the minimum amount due is automatically credited against the next month's minimum payment.
- Advance payments allow your customer to skip subsequent payments and avoid installment fees.

### CREDIT CARD AND DEBIT CARD PAYMENTS

- **Initial down payment** - We accept down payments via credit card (Visa, MasterCard or Discover) or debit card (Visa, MasterCard) on uploaded policies.
- **Installment and renewal payments** - You can make installment and down payments with your customer's credit card (Visa, MasterCard or Discover) or debit card (Visa, MasterCard) via FAO or our Automated Policy Services System (see page 17) or your customer may contact Customer Service at 1-800-925-2886 or make a payment at [driveinsurance.com](http://driveinsurance.com).

### NON-SUFFICIENT FUNDS (NSF) FOR INSURED PAYMENTS

- If our bank returns a customer's payment check due to non-sufficient funds in an account, we will assess a \$20.00 fee to the customer's policy account.
- A notice of cancellation will be immediately issued.
- **To avoid cancellation**, the customer must remit the original payment plus the \$20.00 fee prior to the cancellation date.

### POLICY FEE

A \$15 Policy Fee is added to every policy and is spread over the payments on the policy.

### BILL PLANS

Six-Month Policy Term - New Business						
PAY PLAN	PAY PLAN CODE	DOWN PAY	INSTALLMENT PAYMENTS	DUE DATES	EFT	APPLICABLE MARKETS
1-Pay	(21)	100%	---	---	Not Available	All
2-Pay	(86)	50%	1 @ 50%	Day 85	Not Available	All
6-Pay	(H2)	16.9%	4 @ 16.6%, 1 @ 16.7%	Inception day each month for 5 months	Optional	All
6-Pay	(6K)	24.5%	5 @ 15.1%	Inception day each month for 5 months	Required	Nonstandard and Middle Market Only
5-Pay	(64)	33.2%	4 @ 16.7%	Inception day each month for 4 months	Optional	All
5-Pay	(H4)*	20%	4 @ 20%	Inception day each month for 4 months	Optional	All
5-Pay	(62)	24.9%	3 @ 18.8%, 1 @ 18.7%	Inception day each month for 4 months	Optional	Standard, Preferred & Ultra Preferred Only
6-Pay	(5K)	20%	5 @ 16%	Inception day each month for 5 months	Optional	All

\*Available 11-15-06.

## Fees and Discounts/Surcharges Tables

### FEES

FEETYPE	AMOUNT	CONDITIONS
NSF Fee	\$20.00	For each check returned for non-sufficient funds (NSF).
Policy Fee	\$15.00	For each policy term.
Non-EFT Installment Fee	\$3.00	For each installment payment made via any method other than electronic funds transfer.
EFT Installment Fee	\$1.00	For each installment payment made via electronic funds transfer.
Late Fee	\$5.00	When either the minimum due is not paid or payment is postmarked more than two (2) days after the bill due date.

### DISCOUNTS AND SURCHARGES

DISCOUNT	AMOUNT	COVERAGES	REQUIREMENTS
Paid-In-Full	Varies	BI, PD, Med Pay, Comp, Collision	Customer pays 100 percent of the quoted premium at point of sale not using outside premium financing.
Multi-Car	Varies	BI, PD, Med Pay, Comp, Collision	More than one vehicle on the policy.
Homeowner	Varies	BI, PD, Med Pay, Comp, Collision	The named insured or spouse must own – but does not need to reside in – a home, townhome or condominium. This does not apply to mobile homes. Proof of home ownership can be any combination of documents that indicates name, address, and proof that the customer owns, is making payments on or is insuring the home.
Airbag 1 (Driver Side Only)	20%	Med Pay	Vehicle has a driver-side airbag only.
Airbag 2	30%	Med Pay	Vehicle has both a driver-side & passenger-side airbag.

*Driver level discounts only apply to rated drivers.*

#### SURCHARGE

Business Use	Varies	BI, PD, Med Pay, Comp, Collision	Vehicle is used for business purposes.
Inexperienced Driver	Varies	BI, PD, Med Pay, Comp, Collision	Driver licensed less than 3 years.

# Processing

## UPLOAD ONLY

You must upload all Drive Auto policies through your quoting system. We will not pay commission on paper applications.

## APPLICATION HANDLING

All pages of the original application must be stapled together and mailed to Drive (AFTER UPLOAD) in the green 9" x 11" postage-paid envelope provided by us which reads "NC Uploaded Application Only". *The application must be mailed to Drive within one week of upload.*

## POINT OF SALE (POS)

### Credit, MVR, CLUE, VIN verification

Use your quoting system's point of sale (POS) feature to order your customers' credit, MVR, CLUE and verify their VIN during the quoting process. POS allows you to review all data with your customers and produce the most accurate quote possible, which reduces updates and increases customer satisfaction and retention.

### Additional Driver Discovery

POS may attempt to determine whether there are additional drivers in your customer's household by ordering a report from ChoicePoint. If the report indicates that additional drivers may reside in the household, you should add those drivers or designate them as other than "rated", or send an explanation (via the Notes to Drive section) as to why the drivers are not being added. Appropriate follow-up for proof of non-residency may be undertaken by Policy Services in cases where the driver was not added to the policy.

## NEW BUSINESS BINDING

Original applications will be bound as of the date on the application if:

- the application and all applicable documents are complete and signed by the applicant;
- the down payment has been made, and any outstanding balance (if applicable) has been paid, on date of application;
- the effective date is no earlier than the date upon which the agent received the down payment and the application is complete and signed by the applicant;
- the application does not include any class of risk or type of insurance not specified in the underwriting requirements; and
- the information contained within the application is, to the agent's knowledge, truthful and accurate.

Note that the system will prevent you from uploading a policy with an effective date that is outside of your binding authority (greater than 72 hours in the past).

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**Agents and brokers do not have authority to issue policies, endorsements or cancellation notices unless specifically authorized by us in writing to do so.**

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## ENDORSEMENTS

Please process your endorsements online at our agency-dedicated Web site, ForAgentsOnly.com (FAO). Processing your endorsements online saves you time otherwise spent on the phone with Drive and your customer. And while on FAO, you can also access and print policy documents, including declarations pages, ID cards, bills, and renewal notices.

To process an endorsement over the phone, call 1-877-776-2436, 24 hours a day, 7 days a week.

## FAXED DOCUMENTS

While we prefer that you process all endorsements and cancellations via FAO or over the phone for faster, higher quality service, the following transactions require a signature and must be faxed:

- Agent of record changes (fax this prior to policy renewal - we do not make these changes mid-term). Please fax the Agent of Record change letter to Drive at least 30 days prior to renewal date so that the renewal notice reflects the correct agency information.
- Changes or deletions of the named insured.
- Proof documents or signatures for discounts.

## BINDING RESTRICTIONS GUIDELINES

We will not honor Physical Damage Coverage that an agent binds in any area where a hailstorm, hurricane, tropical storm, tornado or flood watch, warning, or occurrence is in effect at time of binding. Policy numbers will not be honored if a watch, warning, or occurrence is in effect at the time of binding.

## CANCELLATIONS

**Customer Request** - Must be in writing, signed by the insured, with the requested cancel effective date indicated.

- If there is a Loss Payee on the policy, the cancellation effective date will be 10 days after the date of notice to Drive (postmark date of the request). This allows us time to issue the contractually required notice to the Loss Payee. This 10 day delay will be waived if the insured has secured replacement physical damage coverage elsewhere. Please indicate on the request if replacement physical damage coverage has been secured elsewhere.
- All other insured requests for cancellation, received within 30 days of the requested effective date of cancellation, will be honored on the date requested.
- All insured requests for cancellation, received within 30 days of the requested effective date of cancellation, will be honored on the date requested.
- All insured requests for cancellation (including cancellation requests made pursuant to the power of attorney granted under a Premium Finance Agreement) will be calculated short-rate based on short-rate tables promulgated by the North Carolina Rate Bureau.

**Agent Requested Cancels** - Requests for cancellation will only be processed if the agent has obtained the insured's signature or if the agent submits a signed power of attorney with the cancel notice request.

**Company Cancel** - Premium for the period from the date of cancellation to the expiration date will be refunded pro-rata.

**Flat Cancellations** - Not permitted after policy inception.

**Loss Payee** - Company mails notice of cancellation unless loss payee submits written release of their copy of the policy.

**Duplicate Coverage** - Cancellation requests due to duplicate coverage must be accompanied by a copy of the declarations page from the current carrier showing coverage and effective date.

**Effective Date/Time** - 12:01 AM on cancellation day.

Installment payments postmarked the day of cancellation will be accepted and the policy will remain in force.

If payment is postmarked or uploaded *after* the date of cancellation, the policy will not be reinstated.

**Total Losses - Cancels due to a total loss will be effective the day after the loss only if requested within 30 days after the date of the loss.**

### RENEWALS

We will send a renewal quote to you and your customers prior to the policy expiration.

The customer should pay the premium directly to Drive by the expiration date (or the agent can upload through Drive's Automated Policy Services System) to avoid a lapse in coverage.

If payment is postmarked within 30 days after expiration date, we will renew the policy one day after postmark date.

**EFT Payment** - We will notify the customer that funds will be automatically withdrawn at renewal if an EFT payment option is selected. If the customer does not want the funds to be withdrawn by EFT at renewal or they want to change Account Information, they should call Customer Service at 1-800-925-2886.

We will adjust quotes for any additional violations or accidents that occur before the current policy expiration date.

If requesting a change at renewal, the request should be submitted with the renewal coupon or call Customer Service at 1-800-925-2886 (customers) or 1-877-776-2436 (agents).

### REQUEST FOR LATE RENEWAL WITHOUT LAPSE

Your customer may renew their policy up to 15 days past the renewal effective date, without a lapse in coverage, if they do the following:

- Mail their payment to Drive postmarked within 15 days of the renewal effective date; or
- Call Policy Services (1-800-925-2886) within 15 days of the effective date to make a payment by Preauthorized Check or Credit Card.

We will not approve any request for late renewal without a lapse after 15 days. The policy will be renewed with a lapse in coverage.

### REINSTATEMENTS

We allow reinstatement of eligible personal auto policies after midterm cancellation due to nonpayment of premium. To be eligible for reinstatement, the policy must be within 14 days of the cancel effective date and meet a number of additional criteria. The customer must call Drive within the 14-day time period to request the reinstatement. This process does not apply to policies that are nonrenewed due to the customer's failure to make the renewal down payment. FAO will indicate when a policy may be eligible for reinstatement and let you know how to proceed.

Whether or not the policy is eligible for reinstatement, the customer may opt to have the policy rewritten. In this case, a new application must be submitted and the policy rated and uploaded via your quoting system to obtain coverage.

### FILE MAINTENANCE AND AUDIT REQUIREMENTS

Just prior to upload, your quoting system will display a list of documents that are to be kept in your agency file. Please be sure to maintain all required documents.

Routine audits will be performed on random files. You will be required to provide file maintenance documentation to a company representative during an on-site visit or via fax audit.

**Fax Audits** - You will receive a list of required documentation that must be faxed to our office no later than two days after the request. Failure to submit the documentation will result in a failed audit.

### QUOTING "5+ CAR" NEW BUSINESS

#### Coverages:

BI/PD, Med Pay, UMPD, and UM or UM/UIM limits must be the same on all policies.

#### Vehicles:

- Vehicles need to be split between the policies.

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**Note: Listing more than one vehicle on each quote will generate the multi-car discount.**

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#### Drivers:

- Named insured must be the same on the policies to match the market between the policies.
- Named insured's spouse (if applicable) will need to be listed on both policies.

#### Primary (first) policy:

Include all violations, at-fault accidents, not-at-fault accidents and comp claims for the named insured and named insured's spouse (if applicable).

All other drivers and their complete driving record need to be listed on the primary policy only.

If a driver requires a filing, the filing is listed on the primary policy only.

#### Secondary policy:

Include only not-at-fault accidents and comp claims for the named insured and named insured's spouse (if applicable); these are used in determining market.

### Underwriting (Financial Responsibility/Market)

#### Information:

Financial responsibility (FR) will be ordered for the named insured on each policy.

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**Note: The second FR order will not appear on your customer's credit report as long as the second order is within 60 days of the primary policy order.**

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Your quoting system will determine the market for each policy. The market on the primary policy is the true market since all drivers and their complete driving records are included. The market on the secondary policy may be different (more favorable) since only the Named Insured, spouse (if applicable) and non-chargeable incidents are listed.

If the secondary policy market is less favorable than the primary policy market, the market on the secondary policy will be changed to match the primary policy by Drive after upload.

If the secondary policy market is more favorable than the primary policy market, the secondary policy market will not be changed to match the primary policy market.

#### Bill Plan:

- We will automatically change the bill plan on the secondary policy to the "5 + Car" Bill Plan after the policy is received by Drive. If another bill plan is desired, document the requested bill plan in your quoting system notes.
- See "5 + Car" Bill Plan section in next column for specific details on this bill plan.

#### Before Uploading "5+ Car" New Business:

- Add a note to your quoting system documenting "Two policies, more than 4 vehicles."
- Also, note if the named insured would like a bill plan other than the "5 + Car" Bill Plan on the secondary policy.

### ADDING A "5+ CAR" MID-TERM

A second application must be uploaded. Quote the secondary policy on your quoting system using the current rate revision. The existing policy may be in a different rate revision. (*Note: You must obtain required signatures for each policy.*)

#### Coverages:

- Include the same BI/PD, Med Pay, UMPD, and UM or UM/UIM limits as on the existing Drive policy. If limits on existing Drive policy need to be changed, quote the new policy with revised limits.
- Request any coverage changes needed on the existing Drive policy through your quoting system notes or by calling Customer Service.
- Follow same procedures as "Quoting '5 + Car' New Business" for vehicle, driver, underwriting information and bill plans.

#### Proof of Prior:

Answer your quoting system questions as follows:

1. Insured/Spouse had continuous insurance for the past 6 months? If primary Drive policy is "Yes," answer "Yes." If primary Drive policy is "No," determine if the primary Drive policy has been in effect for six months and answer accordingly.
2. What were the lowest BI limits on the policy in the past 6 months? Enter accordingly.
3. Expiration date of the prior insurance policy? Enter the date that is the inception date of the secondary policy.
4. Which company was the prior policy with? Select the Drive company and then select "adding 5th vehicle."

#### Before Uploading Mid-Term "5+ Car":

Add a note to your quoting system documenting the following:

- The existing Drive policy number.
- Any changes in vehicles or coverages needed on existing Drive policy.
- Also, note if the named insured would like a bill plan other than the "5 + Car" Bill Plan on the secondary policy.

#### "5+ Car" Bill Plan:

- This bill plan is not a selection on your rating software. We will add the "5 + Car" Bill Plan to the secondary policy unless a request for another bill plan is documented in your quoting system notes prior to uploading.
- The "5 + Car" Bill Plan does not charge installment fees or a policy fee. It also allows multi-car discount even when the secondary policy has only one car.

#### Six-Month Policies; six payments total:

- Down payment 35 percent.
- Five installments of 13 percent each - due on days 30, 60, 90, 120 and 150.

#### Not Available with the "5+ Car" Bill Plan:

- Electronic funds transfer.

### PROGRESSIVE'S CLAIMS SERVICE

Everywhere Drive does business, we focus on making the claims process easy for customers by getting to work on the claim fast, communicating clearly throughout the process and personally handling the claim from beginning to end. If your customer's vehicle has been damaged and they choose to have it repaired, we offer them the choice of having it fixed at a Progressive network repair shop, where the work is guaranteed by the shop and Progressive.

We encourage you to tell your customers about Progressive's claims service. You can search for the name of a nearby Progressive network repair shop, including all contact information, on the Claims Activity Report page of our agency-dedicated Web site, ForAgentsOnly.com (FAO).

#### Reporting a claim

Progressive's claims service is available 24 hours a day, 7 days a week to respond to your customers' claims.

**Please let your customers know that they should call 1-800-925-2886 to report a claim any time of the day or night, including weekends and holidays.**

Give your customers Progressive claims reporting cards so that they know how to get in touch with us in the event of a claim. To order a supply of these cards for your agency, call Drive Agency Supplies at 1-877-776-2436.

### FAO

ForAgentsOnly.com (FAO), Drive's agency-dedicated Web site, provides you with a wealth of time- and effort-saving functionality. In a growing number of states, agents and brokers are using the site to quote Personal Auto policies, process endorsements, and make payments! In addition, agents and brokers use the site daily to view and print up-to-date policy information, ID cards, and declarations pages; access referrals from Drive; check the status of their customers' claims; monitor their production numbers and access commission information; and much more! To register for the password-protected site, just go to ForAgentsOnly.com in your Web browser and click on "I Need to Register."

### ONLINE ENDORSEMENTS WITH FAO

Please process your endorsements online at FAO. Processing your endorsements online saves you time otherwise spent on the phone with Drive and your customer. And while on FAO, you can access and print policy documents, including declarations pages, ID cards, bills, and renewal notices.

### AGENCY CLAIMS INFORMATION ON FAO

We know it is important for you to be informed when your customers are involved in a claim. That's why Drive provides your agency with your customers' claims information via FAO. Your FAO claims report is updated frequently, and provides a number of benefits, including fast and easy access to your customers' claims information; the ability to sort your information by policy number, claim number, and date of last activity; and access to details such as the claims summary, payment history, and policyholder's coverage information for each claim.

To access your claims report, log on to FAO, go to the Manage Agency menu, and choose "Claims Activity."

### 24 HOUR AGENCY CUSTOMER SERVICE

#### Agents: 1-877-776-2436

If you cannot access the information you need or complete a policy transaction on FAO, you can call Customer Service 24 hours a day, 7 days a week.

### AUTOMATED CUSTOMER SERVICE

#### Customers: 1-800-876-5581

Available 24 hours a day, agents and customers can:

- make credit card payments;
- conduct billing inquiries; and
- obtain ID cards and declarations pages.

### ENHANCED GLASS PROGRAM

#### Progressive/Safelite

Progressive has partnered with Safelite AutoGlass to service auto and RV glass claims nationwide.

Features:

- Immediate scheduling of repair/replacement (servicing by next business day).
- Mobile service available.
- Broad network of owned and affiliated shops.
- Lifetime warranty.
- Significant discount off retail price.
- Free windshield repair with deductible waived if comprehensive coverage is purchased.

### AGENCY SUPPLIES

To order additional product guides or other Drive printed materials, call 1-877-776-2436. Please have your agent code available when you call.

**THANK YOU FOR CHOOSING TO SELL DRIVE® INSURANCE FROM PROGRESSIVE.**

## Notes

A decorative graphic consisting of a thin black line and a thicker green line, both slightly curved upwards from left to right, positioned below the 'Notes' header.



## Notes



# The benefits of being a Drive customer

When you're talking with potential Drive customers, be certain to highlight what you and Drive offer:

**Innovative technology** – driveinsurance.com lets customers access their policies online 24 hours a day, 7 days a week. They can log in to the secure, password-protected site to:

- Make a payment
- Update personal information
- Report a claim
- Check the status of a claim
- And more

And your customers will see your agency's name and contact information displayed prominently throughout the site.

**Superior 24/7 claims service** – Whether customers choose to use our network of approved repair shops or, where available, our concierge level of claims service at our Service Centers, we'll handle the entire claims process. We also guarantee the repairs for as long as they own or lease the vehicle.

**Competitive rates and a renewal quote guarantee** – Drive Insurance has a rate for most drivers, and your customers are guaranteed renewal quotes when they complete their terms. (See "Processing" for more details.)

**Active remarketing at renewal** – With active remarketing, your customers are assured of getting the best possible rate when their policies renew. (See "Processing" for details. Not available in all states.)

**Premium discounts** – We offer a wide range of discounts that can mean substantial savings.

**Accident surcharge waiver after 48 months** – We will not charge customers for an at-fault accident, if they have been insured with us for 48 months and accident free for the prior 35-month period. (See "Violations/Accidents" for more details. Not available in all states.)

## What does this mean to you and your customer?

For your customer, it means a competitively priced policy that comes with superior 24/7 online services, along with the in-person counsel and expert advice you offer.

For you, it means that you can grow your agency with a stable company that offers a well-known brand, superior service and competitive rates that help you to attract—and retain—more customers.

# Let's go. Let's drive.

Drive® Insurance from Progressive provides a complete package of tools to help you grow your business profitably, including competitively priced products, innovative technology that makes it easy to do business, and superior services and support.

Drive can help you quote more, sell more, increase retention, grow your business and gain market share from captive agents.