



**FLORIDA AUTO UNDERWRITING MANUAL
PEACHTREE CASUALTY INSURANCE CO
Effective: July 1, 2009**

GENERAL INFORMATION

Your Manual

FIN's job as an Agent for the Insurance company is to provide you and your customers with quality service. Together, we can simplify the complex world of insurance for your customer. Your auto manual is designed as a guide to underwriting our Private Passenger Automobile program. Since it's impossible to address every situation that might arise, our underwriters are standing by to assist you when a question arises. We must reserve the right to make any final determination of acceptability of a risk. The manual is subject to change without notice, however, we will make every effort to keep you informed and your manual updated.

Producer Appointment

You may use this program only if:

- You are a licensed property and casualty insurance agent in the state of Florida.
- You have completed a current producer questionnaire, have been assigned a producer code number and have a signed Producer Agreement from FIN.

Applications

Applications must be completed and legible. Use only originals, no photocopies. Your signature, the insured's signature with a date and time are required on all spaces provided. If the agent has not signed a new Producer Agreement, including the "ORMA" (Original Records Maintenance Agreement), then the application must be postmarked by the United States Postal Service within 72 hours of the inception date. This excludes Federal holidays and Sundays. Applications mailed after the 72 hours will be effective no earlier than 12:01 AM on the date after postmark. All necessary underwriting information should accompany the application and premium payment. You may fax to 770-438-7228 to document a date and time of requested binding. Fax or e-mail submissions must be followed by the original application, and postmarked within 5 business days of inception date.

If the new producer agreement, including our ORMA and Funds Transfer Authorization Agreement have been approved by FIN, then the agent will maintain all the original documents in their office after uploading all information through the comparative rating system they use, except for the following documents which must be faxed to 770-438-7228 at the time of binding: Proof of Senior Operator/Defensive Driver discount, all completed and signed driver exclusions, and any EFT Authorization Forms Currently used raters are Quick Quote or AccuAuto. FIN will perform periodic audits of

the files to verify underwriting and procedures compliance.

Binding Procedures

Binding authority rest solely with FIN. We will accept the indicated date and time, provided the application is acceptable, signed as required, and is submitted with the necessary premium or down payment.

Policy Issuance

All policies are issued for a six or twelve month term. Policies will be issued at the correct premium after underwriting and review of MVR's on all drivers. Additional premiums or return premiums are handled on a Direct Bill basis.

Cancellations

- Company request, pro-rata.
- Insured Request, short-rate. (Short-rate means 90% of pro-rata.)
- Flat cancellations after inception of the policy are not available.
- Non-payment is "Insured Request".

Reinstatements

Reinstatements are available up to 30 days after the cancellation date, however a "no loss statement" must be submitted covering the lapse period. Once we receive the 'no loss' and we activate the policy, then the agent can upload the payment in PTS4. A \$10 late fee is included in the amount due to reinstate.

Reactivated Policies

Reactivation of a policy which canceled for nonpayment of a monthly installment, after the effective date of cancellation "with a gap in coverage" may be available, provided it is understood and agreed that coverage was not in force during the gap. The policy will be activated as of the date and time of the uploaded payment into PTS4 or the date after postmark if mailed. A \$10 late fee is included in the amount due to reactivate.

Renewals

Unless we advise you otherwise, each insured whose policy has not been cancelled or non-renewed will receive a "Notice of Expiration and Offer to Renew" prior to the expiration of the policy. The renewal quote is usually honored up to 30 days after the expiration of the policy. but will be effective no earlier than 12:01 A.M. date following postmark, if mailed after expiration. Requests to renew coverage must be accompanied by the required down payment or premium payment.

Weather Restrictions

Binding Authority for all coverage is suspended when the National Weather Service issues a hurricane, tornado, flood, or other similar natural disaster "watch" or "warning" within 100 miles of the location of the proposed risk. For 48 hour period following the storm, each automobile requesting physical damage coverage to

be bound, must be personally inspected by the producer and all vehicles must be found to be in operable condition. The producer is to indicate on the vehicle inspection report any pre-existing damage to the auto(s).

Claims

You may assist your insured in the reporting and processing of claims. Please have your insured report his/her claim directly to us as soon as possible.

(770) 438-4017

(770) 438-4013 (FAX)

(800) 433-3071 (for new claim reports only)

BILLING & ACCOUNTING

Commission and Producer Statements

Refer to your Producer agreement for commission levels. You will receive a monthly listing of all transactions, usually by the fifteenth of the month. Credit checks will accompany the statement. Balances must be paid by the due date. Failure to pay your statement in a timely manner will result in the suspension or termination of the Producer Agreement.

Direct Bill Pay Plans & Installments

Term	Down Pay	#of Install	** 1st Due Date
6*	17%	5	20 days
6*	17%	4	20 days
6*	20%	5	30 days
6	34%	5	30 days
12	17%	10	30 days
12*	8.5%	10	18 days
12*	10%	10	20 days
12*	12.5%	10	30 days
6/12 mo.		Paid in Full	

* Requires Applicant's EFT information, or a combination of BI,PD, and PIP.

** 1st payment due date, then every 30 days after.

A fully earned \$10 installment processing fee is due at the inception of a policy. A late fee of \$10 will be charged on any installment postmarked or received five or more days after the installment due date. A \$15 NSF fee will be charged for each payment returned for insufficient funds.

EFT Monthly Billing– Use of this plan allows your customer to have monthly payments automatically withdrawn from his/her checking account with Electronic Funds Transfer (EFT). The benefits of EFT billing are:

- no bill needs generation each month
- lower down payments
- improves policy retention

Payment By Credit Card/Bank Draft

FIN will accept monthly payments and renewal deposits via bank draft, Visa, Master Card, American Express or Discover. Requirements include routing and account number for bank drafts and type of card, card number and expiration date for credit/debit card payments along with the billing address and account holder name for all. In the event FIN is unable to collect premium payment from a bank draft or credit card, the policy is subject to cancellation for non-payment of premium. (Please see Policy Administration System (PTS4) section.)

Policy Changes/Endorsements

Please help customers avoid mid-term non-pay cancellation by collecting the additional down at the time of a policy change, if possible. The additional down for any money endorsement is equal to the percentage down shown on the billing screen in PTS4. This is the down payment percentage taken on the new business application/renewal. If you need assistance calculating the mid-term premium due, please feel free to call our underwriting department for help.

Please make sure endorsements are complete, legible, and have required signatures when deleting drivers or reducing coverage.

Important Note: Endorsements (Change Requests) not uploaded into PTS4 must be mailed to FIN immediately. Policy Changes received without the necessary additional payment, will be direct billed to the customer. We suggest strongly that you **not** accept your customers' premium or monthly payments into your account. To do so exposes you to unnecessary liability and places responsibility for NSF's on you. Insureds' NSF checks payable to FIN are OUR responsibility.

UNDERWRITING AND RATING

Acceptable Risks

This program is designed for private passenger automobiles, including pickups and vans not exceeding 3/4 ton which are operated by properly licensed individuals. See Unacceptable Vehicles, Drivers, etc.

Unacceptable Risks– Vehicles, Drivers & Also

A surcharge of 100% is applicable to all coverages and all cars listed under "Unacceptable Risks" when added to an already in force policy.

Unacceptable Risks- Vehicles

- Any commercial vehicle
- Any vehicle used for public livery or hire.
- Any vehicle rented or leased to other.
- Any vehicle used in speed contests.
- Vans, pickups, over 3/4 ton.
- Delivery vehicles used for retail or wholesale delivery, including but not limited to couriers, newspaper, pizza and mail delivery.
- Emergency vehicles.
- Autos, Pickups & Vans used in business. * (Submit)
- Vehicles not licensed for highway use.
- Dune buggies, custom, kit & any other mechanically altered vehicles.
- Autos not registered in the name of the applicant.
- Vehicles owned by a partnership or corporation.
- Any vehicle not garaged in Florida full-time.
- Vehicles over 25 years old. (Liability only may be acceptable– submit \w inspection report or 2 photos).
- Vehicles with a symbol higher than 20 with physical damage coverage.
- Vehicles over 15 years of age requesting full coverage without a lien holder.
- Conversion vans with physical damage coverage.

Note: All vehicles with full coverage AND all PIP/PD vehicles over 25 years old need inspection reports or photos submitted with the application.

In some cases, we can write vehicles used in business. Call for approval.

Unacceptable Risks- Drivers

- 14 years old and under
- Drivers 22 & over with more than 1 DUI in the last 5 years. (Submit)
- Drivers 21 & under with any alcohol or drug related violation. (submit)
- Drivers age 18 or under with six (6) or more points. (submit)
- Drivers age 19-25 with eight (8) or more points.
- Drivers age 26 and over with more than twelve (12) points.
- Drivers over 70 years old. (physician’s statement) (Submit)
- Military risks below the rank of E-5. (Submit)
- Any Military risks unless permanently stationed in Florida.
- Principal drivers over age 21 not licensed at least 24 months. (Submit)
- Any driver with a restricted, suspended, or revoked licensed unless excluded.

Also Unacceptable Risks

- SR-22 or SR-22 S Fillings.
- Non-owner policy.
- Any risk that does not include all titled/registered vehicles of the Named Insured(s).
- Physical Damage Only Coverage.

This manual cannot cover all situations completely. We reserve the right of final determination of acceptability and recommend contacting our underwriting department in case of a questionable risk.

Accidents, Violations & Points

Where multiple charges arise from a single incident, only the highest point charge will be considered, unless an accident and any violation involving alcohol or drugs arise out of the same occurrence. In such cases, the operator will be charged for both violations. The company uses the violation date in calculating driver record points. The experience period is (3) years.

“Chargeable Accident” is defined as any accident (other than those covered by uninsured motorist coverage) documented by the applicant’s present and prior insurer(s) that show the applicant to be substantially at fault. Any accidents shown on the applicant’s MVR may be charged for, unless the accident is shown to be “non-chargeable”- see below.

“Non-Chargeable Accident” is defined as:

- Applicant’s automobile was lawfully parked.
- Judgment or reimbursement was obtained from the responsible person(s).
- Applicant’s automobile was struck in the rear by another vehicle headed in the same direction and the applicant was not convicted of a moving traffic violation in connection with the accident.
- Hit by a “hit and run” driver and such accident was reported by the applicant to the proper authorities within 24 hours.

- Applicant was not convicted of a moving traffic violation in connection with the accident and the operator of the other vehicle involved in such an accident was or was not convicted of a moving traffic violation.
- Applicant was finally adjudicated not to be liable by a court of competent jurisdiction.
- Applicant is in receipt of a traffic citation which was dismissed .
- Copy of police report is received by company indicating not at fault.

Accidents (At Fault)	Points
• First chargeable accident	3
• Second Chargeable accident	5
• Third chargeable accident	Unaccept
• Over 3 accidents whether chargeable or not at fault is submit only (do not bind)	Submit

Major Violations

• Leaving the scene involving Property Damage		3
• Any Felony vehicle conviction		6
• Leaving the scene involving Bodily Injury		6
• Homicide/Manslaughter		6
• Driving Under the Influence		6
• Reckless Driving		4
• Careless Driving		2
• Eluding the police		6
• Open Bottle-	First	3
	Second	4
	Third	4
• Racing	First	3
	Second	3
	Third	3
• Passing Stopped School Bus	First	3
	Second	3
	Third	3
• Driving with Suspended License	First	3
	Second	3
	Third	3
• Speed, 0-15 mph	First	0
	Second	2
	Third	2
• Speed over 15 mph	First	2
	Second	2
	Third	2
• Minor Violations	First	0
	Second	2
	Additional	2

Others:

- Foreign License/Unverifiable Driving Record 3
- Inexperienced Operator (less than 2 years) 1
- Business Use. Please Submit 2

Driver Classifications

- Driver classification are by age, sex, and marital status.
- Age is, age of last birthday.
- Single includes unmarried, divorced and legally separated. (Married status must reside in same household to qualify for married rate).
- Assign highest rated driver to highest rated vehicle.
- To rate more vehicles than drivers, use the driver's actual class with zero points.
- **Unlicensed or licensed persons in the household age 15 and older must be listed or excluded for rating purposes.**

Driver Exclusions

All household members 15 years of age and older must be listed and rated or excluded, whether they are licensed or not. The Named Insured must sign the Excluded Driver Endorsement that applies to all vehicles on the policy. Remember you must rate or exclude. To rate a person without a driver's license, rate at the proper age and add 3 points for unverifiable driving record. A flat \$10 charge will apply per excluded driver for a 6 or 12 month policy term.

Business Use Definition

Any regular use of a vehicle by the insured in the course of their work or occupation constitutes business use and must be declared and rated as such. Vehicles must be individually owned (no joint ownership, corporation, or other such business entity named as titleholder or registrant; Vehicle may be operated only by the named insured or other licensed resident family members who are listed and rated on the policy. Vehicles may have no logo or other commercial advertisement or identification affixed temporarily or permanently to the vehicle; Insured vehicles may not trail any additional equipment or supply trailer in the course of business use. Business use is not intended for commercial risks or vehicles used commercially. Any business involving frequent stops, whether on a regular route or not, such as courier or messenger services, exterminators, debit life sales or vehicles used in the course of business.

Discounts

Discounts are applied when the application and the risk meet the underwriting criteria. Discounts apply to Bodily Injury, Personal Injury Protection, Property Damage and Physical Damage coverage.

Multi-Car Discount-Policies insuring more than one vehicle will receive a 10% discount on all vehicles.

Transfer Discount— A risk which has been continuously insured for a minimum of six months with no more than 30 days lapse in coverage, and has not had an at-fault accident during that time, will receive a 10% discount.

Proof of prior insurance must accompany application.

Renewal Discount— A risk that has been continuously insured by us for a minimum of (6) months, and has not had an at-fault accident during that time, will receive a 15% discount.

Senior Operator/Defensive Driver Discount

Applicant's aged 55 years and older may be eligible for this (5%) discount if certain requirements are met. Please call FIN for details.

Anti-theft Discount— A 10% discount may be applied to the comprehensive premium only if an applicant's vehicle is equipped with an anti-theft device or a vehicle recovery system which are factory installed.

Air-Bag Discount— A 10% discount may be applied if an applicants vehicle is equipped with an air bag.

Anti-Lock Brake Discount— A 5% discount may be applied to BI, PD, PIP and collision premiums if the applicant's vehicle is equipped with anti-lock brakes.

Homeowner's Discount-

A 5% discount applies when the Named Insured provides proof of ownership with the application that they own a home and live in the home. The Named Insured must be the legal homeowner. "Home" is defined as a single family house, duplex, condominium, townhouse, or manufactured home. Examples of acceptable proof include the title, tax bill, or the declarations page of the homeowner's insurance policy. Discounts are multiplicative and there is no maximum. Discounts do not apply the Expense Fees or Policy Fees.

Agent's Policy Tracking System (PTS4)

You can save time obtaining policy status and payment information by using PTS4. This is a real time web based system that enables you to check policy status, print policy documents, upload payments, process endorsements and access useful reports. Additionally we can email all policy documents to you, if you so select. The PTS4 home page will also display important messages from FIN concerning updates, holiday hours, weather binding restrictions, or any information that may assist you in your use of the system. If you need further assistance with any of these functions, please call our customer service unit at 1-800-282-4151.

PTS4 Functions:

- Update your agency information.
- Access reports including: (Policy In Force Premium, Agency Loss Ratio, Payment Search, Producer EFT Deposits, Agent Payments Received, Quote Submissions, Producer Production and Policy Status)
- Print policy documents and forms.
- Upload payments via Visa, Master Card, Discover , American Express and agency or insured bank draft
- Quote and upload endorsements.
- Attach vehicle pictures to policies.
- Easy Agent interface to Quote, Rate, and Issue.

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Hours of operation: Mon–Fri, 8:30 AM—5:00 PM