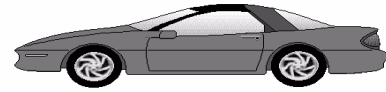


Georgia Non-Standard Auto Underwriting Manual Effective: November 1, 2009



Insurance Company

GENERAL INFORMATION

Your Manual

Our job as 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 Georgia.
- You have completed a current producer questionnaire; have been assigned a producer code number and have a signed Producer Agreement from FIN.
- You are licensed as a sub-agent by First Insurance Network, Inc.

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 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 Good Driver/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 rests 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. *Important Note:* NO outside premium finance companies drafts will be honored!

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 may be available up to 30 days after the cancel date, however a "no loss statement" must be submitted for prior approval, 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 that 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 canceled 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 a 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 Installments	1 st Due Date
6	17%	5	15 days
6	17%	4	15 days
6	20%	4	20 days
6	25.5%	4	25 days
6	33.33%	5	25 days
12	17%	10	25 days
12	8.5%	10	15 days
12	10%	10	20 days
12	12.6%	10	25 days
6/12	Paid in Full		

The monthly Direct Bill installment fee is \$8 per installment. A late fee of \$10 will be charged on any installment postmarked or received one day after the installment due date. A \$25 NSF fee will be charged for each payment returned for insufficient funds. No Premium Financing.

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 make sure endorsements are complete, legible, and have all required signatures when deleting drivers or reducing coverage. **Important Note: Endorsements (Change Requests) must be uploaded or processed into PTS4 or must be faxed to FIN immediately.**

AP (Money) Endorsements: Please help customers avoid mid-term non-pay cancellation by collecting the additional down at the time of a policy change. **The additional down for all money endorsement is 25%. If there is under 60 days remaining in the policy term, then 100% is due at the effective date of the AP endorsement. Be sure to collect the required endorsement down payment and deposit to your account, as it will be swept in the same manner as new business.**

UNDERWRITING AND RATING

Acceptable Risks

This program is designed for private passenger automobiles, including pickups and vans not exceeding $\frac{3}{4}$ ton that are operated by properly licensed individuals. See Unacceptable Vehicles, Drivers, etc.

Unacceptable Risks- Vehicles

- Any commercial vehicle.
- Any vehicle used for public livery or hire.
- Any vehicle rented or leased to others.
- Any vehicle used in speed contests.
- Vans, pickups, over $\frac{3}{4}$ ton.
- Delivery vehicles, 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 Georgia full-time.
- Vehicles over 25 years old (Liability only, may be acceptable. Submit /w mechanic's statement & 2 photos).
- Conversion vans. (Submit)
- ISO symbol over 20.
- Vehicles over 15 years in age requesting full coverage without a lien holder.

*****Note: All vehicles with full coverage will need photos, or an inspection report.**

Unacceptable Risks- Drivers

- Drivers age 18 or under with six (6) or more points.
- Drivers age 19-25 with eight (8) or more points.
- Drivers age 26 and over with more than twelve (12) points.
- Any Military risks unless permanently stationed in Georgia.
- 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 over 70 years old. (Physician's statement required) (Submit)
- Military risks below the rank of E-4. (Submit)
- Any Driver with a Restricted License
- Any Driver 14 years old and under

Also Unacceptable

- SR-22 or SR-22 A 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.

Transfer Discount (Copy of previous dec page or renewal offer is required with app) This discount applies to new business only.

Transfer A – A risk which has been continuously insured for a minimum of 6 months with no more than 5 days lapse in coverage and has not had an at-fault accident or major violation will receive a 25% discount off published rates.

Transfer B – A risk which has been continuously insured for a minimum of 6 months with 6 to 15 days lapse in coverage and has not had an at-fault accident or major violation will receive a 17.5% discount off published rates.

Transfer C – A risk which has been continuously insured for a minimum of 6 months with 16 to 30 days lapse in coverage and has not had an at-fault accident or major violation will receive a 10% discount off published rates.

Renewal Discount – A risk that has been continuously insured by us for a minimum of six (6) months, and has not had an at-fault accident during the prior term, will receive a 10% discount.

Good Driver/Defensive Driver Discount – Risks may be eligible for this 10% discount if certain requirements are met. Please call us for details.

Good Student Discount – Risks may be eligible for this 2% discount if certain requirements are met. Please call us for details.

Four (4) Door Physical Damage Credit – A 10% credit to the COMPREHENSIVE and COLLISION base rate will apply to vehicles with 4 Doors, and vehicles considered mini-vans.

Homeowner 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. Applies to BI, PD, Comp and Collision.

Punitive Damage Exclusion

A 15% discount applies to Bodily Injury and Property Damage premium for insureds who exclude coverage for punitive damages via a signed waiver on the application.

Vehicle Classifications

Use the table below to determine which vehicles are surcharged for physical damage. If you have a question regarding a particular vehicle, please call our underwriting department.

Vehicle Point Surcharges (Apply to Collision)

- All Convertibles 4 points
- All **4WD** pickup trucks and SUVs 4 points

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.

BLANK FOR FUTURE USE



P.O. Box 720713, Atlanta, GA 30358-2713

770-436-7575 Local

770-438-7228 Underwriting Fax

800-282-4151 Toll Free Watts

Web Address www.finusa.com

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