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BINDING AUTHORITY

The Company allows both agent and broker producers. The Producer's authority is governed by the Producer Agreement and by these Underwriting Guidelines as may be amended from time to time. Brokers are *not* allowed to bind coverage.

To ensure that coverage is bound, applications and endorsements must be completed fully, signed by the necessary parties and, together with the required supporting documentation, must be facsimiled or postmarked to the Company no later than three (3) days after the effective date of the application or endorsement.

Binders written by the Producer are effective for a period up to thirty (30) days unless canceled sooner by Commerce West. Brokers are not allowed to write binders.

Commerce West reserves the right to return as *unbound* any application or endorsement submitted without proper documentation or signatures.

An agent producer's binding authority is limited to a maximum of 50/100/25* for vehicles where the primary driver is under the age of 25, who does not reside with his or her parents or is the registered owner of the rated vehicle. Higher limits are available but they cannot be bound without prior approval from the Company.

**These limitations do not apply to California Good Drivers.*

THE COMPANY RESERVES THE RIGHT TO MAKE FINAL UNDERWRITING DECISIONS.

POLICY AND COVERAGES

POLICY TERM

A policy may be written for a term of six (6) months or one (1) year.

POLICY TERRITORY

Policy coverage applies within the United States of America, its territories and possessions, and Canada. *The policy does not apply in Mexico.* Insureds operating their vehicles in Mexico should secure an automobile policy from an authorized Mexican insurance company at the point of entry.

POLICY COVERAGES, LIMITS AND DEDUCTIBLES

Coverage	Limits	Deductibles
Bodily Injury Liability	15/30,25/50,50/100,100/300 & 250/500*	--
Property Damage Liability **	5,10,20,25,50, & 100*	--
Medical Payments	\$1,000, \$2,000	--
Comprehensive	\$70,000***	ACV,\$50,\$100,\$250,\$500,\$750, \$1,000 & \$2,500
Collision	\$70,000***	,\$50,\$100,\$250,\$500,\$750, \$1,000 & \$2,500
Special Equipment	Specified Value****	--
Rental Reimbursement	\$20/\$600, \$25/\$625, \$30/\$900, \$40/\$1200, \$50/\$1500	--
Towing & Labor	\$35 per Disablement	--
Uninsured/Underinsured Motorists BI	15/30,25/50,30/60 50/100,100/300 & 250/500*	--
UM Collision Deductible Waiver	--	Waivers of \$50,\$100,\$250,\$500, \$750, \$1,000 & \$2,500
UM Property Damage	\$3,500	--

* Amounts in thousands of dollars.

** PD Liability limits may not be higher than the per person BI Liability limits.

*** Maximum agent producer binding authority unless otherwise approved by the Company.

**** Refer to Special Coverages section of the manual for binding limitations.

SPECIAL COVERAGES

- **Rental Reimbursement** - Rental Reimbursement option of \$10 per day up to a maximum of \$300 is provided in the case of total theft at no additional cost for vehicles with Comprehensive coverage.
 - Rental Reimbursement of \$20 per day/\$600 maximum, \$25 per day/\$625 maximum, \$30 per day/\$900 maximum, \$40 per day/\$1200 maximum and \$50 per day/\$1500 maximum are available by endorsement (CWI-134) for vehicles with Comprehensive **and** Collision coverages. This endorsement replaces the policy's standard rental coverage and applies to rental expenses resulting from any covered Comprehensive or Collision peril.
- **Stereos and Special Vehicle Equipment** - When permanently installed by the vehicle manufacturer, Comprehensive and Collision coverage is provided at no additional cost for Stereos (including radios, cassette decks and CD players) and Special Vehicle Equipment (including alloy wheels, spoilers and telephones).
 - Coverage is available by endorsement (WPI-135) for Stereos and Special Vehicle Equipment not permanently installed by the vehicle manufacturer, for vehicles with Comprehensive **and** Collision coverage. To request this coverage, the Producer must provide an itemized list of the non-manufacturer installed Stereo Equipment or Special Vehicle Equipment specifying the value of each item along with the rating worksheet clearly indicating the rate quoted when writing this coverage. The annual premium for coverage of non-manufacturer installed Stereos or Special Vehicle Equipment is 2% of its Actual Cash Value (or 1% for a six month policy).
 - Customarily installed in pick-up trucks and vans, customized furnishings, vehicle modification equipment and appliances are excluded from coverage (WPI-130) unless the insured purchases this special coverage. To request this coverage, the Producer should follow the procedure detailed immediately above.

The agent producer's **binding authority** for special equipment is limited to:

- *\$3,000 for stereos, speakers and all other sound receiving/reproducing equipment*
- *\$5,000 for tires and rims*
- *\$10,000 in aggregate for all special equipment*

Brokers do not have binding authority.

- **Named Non-Owner Coverage** – Commerce West offers casualty coverages to cover a named driver while driving non-owned private passenger vehicles, within certain limitations. Coverage is excluded for any vehicles owned by the named driver or spouse. More than one driver can be included on the policy, however, there is a separate premium charge for each driver. Physical Damage coverages are not available on a non-owner basis and business use of the vehicle is not acceptable.

Camper Shells - Comprehensive and Collision coverage is available for camper shells affixed to a Commerce West insured pickup truck with Physical Damage coverages.

- To include Comprehensive and Collision coverage for a qualifying camper shell, the Producer must include the words "...with camper shell" in the vehicle make and model section of the application or endorsement form. For example, "1995 Ford F150 with camper shell." The premium for this coverage is calculated by increasing the symbol of the insured vehicle by one (1).

Note: Comprehensive and Collision coverages are not available for campers with eating, cooking or sleeping facilities.

DRIVERS

ACCEPTABLE DRIVERS

Commerce West provides personal automobile insurance to those drivers in California who meet the statutory definition of “Good Driver.”

A “Good Driver” is one who meets all of the following requirements for the three (3) year period immediately preceding the effective date of coverage:

- The driver has been continuously licensed to operate a four-wheeled motor vehicle in any jurisdiction as defined in CCR § 2632.13(j);
- The driver has accumulated no more than one violation point as determined by the California Motor Vehicle Code;
- The driver has not been principally at fault in a motor vehicle accident which resulted in bodily injury or death;
- The driver has not been principally at fault in an accident involving property damage when the driver was also cited for a one (1) or more point violation; **and**,
- The driver has not had more than one non-confidential dismissal of a moving violation complaint after attending a court approved driving school or program.
- Within the previous ten (10) years, the driver has not been convicted of driving under the influence (pertains to violations on or after January 1, 1999).

***Note:** Any person who claims that he or she meets the criteria of above based entirely or partially on a driver's license and driving experience acquired anywhere other than in the United States or Canada is presumed to be qualified as a “Good Driver” if he or she has been licensed to drive in the United States or Canada for at least the previous 18 months and meets all other criteria listed above for that period.*

Definition of “Principally at Fault”

For the purposes of determining whether a driver is “principally at fault” in an accident, the driver’s actions or omissions must be at least 51% of the proximate cause of the accident, subject to the exceptions set forth below, and, in accidents not resulting in death, if the total loss or damage caused by the accident exceeds \$1000 (as defined in CA REG-2010-00011§ 2632.13)

A driver shall not be considered to be principally at fault if the accident occurred under any of the following circumstances:

1. The vehicle was lawfully parked at the time of the accident. A vehicle rolling from a parked position shall not be considered to be lawfully parked, but shall be considered as in the operation of the last operator;
2. The vehicle was struck in the rear by another vehicle, and the driver has not be convicted of a moving traffic violation in connection with the accident;
3. The driver was not convicted of a moving traffic violation and the operator of another vehicle involved in the accident was convicted of a moving traffic violation;
4. The driver’s vehicle was damaged as a result of contact with a vehicle operated by a “hit and run” operator of another vehicle and the accident was reported to legal authorities within a reasonable time after the accident;
5. The accident resulted from contact with animals, birds or falling objects;
6. The driver was responding to a call of duty as a paid or volunteer member of any police or fire department, first aid squad, or of any law enforcement agency, while performing any other governmental function in a public emergency;
7. The accident was a solo vehicle accident that was principally caused by a hazardous condition of which a driver, in the exercise of reasonable care, would not have noticed (for example, “black ice”).

EXCEPTION - Newly Licensed Drivers

Commerce West will accept those licensed drivers with less than three (3) years of licensed experience if **all** of the following qualifications are met:

- The driver is a resident family member,
- The driver is a full time student (twelve or more units. If 18 years old or a college student, proof of full time status must be provided),
- The driver has no moving violations or accidents in his/her driving history, **and**,
- At least one parent *and* all qualifying vehicles in household are insured by Commerce West.

NON-ACCEPTABLE DRIVERS - EXCLUSION

As occasionally occurs, one or more household residents may not qualify under the definition of “Good Driver” or under the Newly Licensed Driver Exception. In these instances, the business may still be placed in the Commerce West Select Program if all non-qualifying drivers are expressly excluded from coverage. Please see the “Exclusion of Specified Individuals Form” section of this manual for specific processing instructions.

*Note: Producer has no authority to bind the Company to “reinstatement” of an Excluded Driver. Excluded Drivers will remain excluded from coverage until a request to add them has been received and approved by the Company. For those unique situations wherein a **youthful operator** (just obtaining a permit or license) is excluded and you would like to reinstate that driver immediately, call the Company with the information so that we may qualify that driver for immediate reinstatement. We will run the MVR, and if that driver does qualify, we will call you back and advise you of the reinstatement.*

YOU MUST RECEIVE VERBAL APPROVAL under these circumstances.

HOUSEHOLDS WITH MULTIPLE COMMERCE WEST OR MAPFRE INSURANCE COMPANY POLICIES - CROSS-EXCLUSION

In the case of multiple Commerce West or MAPFRE Insurance Company policies within the same household, all drivers must be mutually cross-excluded, regardless of coverages or limits on each of the policies. Liability coverage from the driver’s policy and physical damage coverages from the vehicle’s policy will be in effect should a loss occur when the driver is covered under one Commerce West or MAPFRE Insurance Company policy and vehicle is within the same household and covered under another Commerce West or MAPFRE Insurance Company policy.

VEHICLES

ACCEPTABLE VEHICLES AND USAGE

Commerce West provides insurance coverage for “Private Passenger Automobiles.”

A Private Passenger Automobile is a four-wheel automobile, station wagon, pickup truck*, passenger van or jeep-type vehicle that is owned or held under a long term lease individually or jointly by the named insured(s) or resident relative, and is not used for public transportation, livery conveyance or commercial purposes.

*Pickup trucks are acceptable *provided* they have a load capacity of one (1) ton or less, have no more than six wheels (“dualies” are acceptable), have no more than two axles and are used only for personal use.

Agent producers may not bind the following without prior approval from the Company:

- Physical Damage coverage on vehicles valued in excess of \$70,000 or with an ISO rating symbol higher than 26 for model year 1990 through 2010 or rating symbol 59 for model year 2011 and newer.
- Sports, Sports Premium or High Performance automobiles.
- Antique, collector or “kit” vehicles.
- Vehicles registered in the name of a business or corporation.

NON-ACCEPTABLE VEHICLES AND USAGES

The following vehicles and uses are not acceptable for a Commerce West “Private Passenger Automobile” policy:

- Ambulances, Fire, Police or Salvage Equipment.
- Trucks, Vans or Utility vehicles with a load capacity in excess of one (1) ton and/or with more than two (2) axles.
- Trucks originally sold as “cab with chassis.”
- Public Passenger Carrying Vehicles (Taxis, Jitneys, Buses, etc.).
- Vehicles used for racing.
- Vehicles with less than four (4) wheels.
- Motor Homes and other Recreational Vehicles.
- “Drive Yourself” vehicles (short term rentals).
- Vehicles used for commercial purposes (i.e. newspaper or magazine delivery, pick up or delivery of food or supplies, transportation of construction supplies, etc.) including vehicles driven on a regular and frequent basis by employees and/or persons other than the listed drivers on the policy.
- Any vehicle made available for rent or lease, by the applicant, for any period of time, including but not limited to participation in an on-line ride sharing enterprise.

DISCOUNTS

Commerce West offers the following discounts:

- **Multi-Car Discount** - Available for policies which provide coverage for two (2) or more vehicles garaged at the same location where all listed drivers are resident relatives. The Multi-Car Discount is also available for a single car policy if Commerce West or MAPFRE Insurance Company provides one (1) or more additional in force policies to other family members living in the same household.
- **Mature Driver Discount** - Available for drivers 55 years of age and greater who have completed a State approved Driver Safety Course and who are rated as the principal operator of a vehicle. A copy of the Certificate of Completion must be submitted to the Company to obtain the discount. For each three (3) year period thereafter, a new Certificate of Completion must be submitted to the Company at least 35 days prior to the renewal effective date to perpetuate the discount. This coverage applies only to Bodily Injury and Property Damage Liability, Medical Payments, Collision, and Uninsured Motorist Coverages.
- **Driver Training Discount** - Available for drivers licensed less than four (4) years who have completed a State approved Driver Training Course. A copy of the Driver Training Certificate of Completion must be submitted to the Company if the driver received their first license when they were over the age of eighteen (18) or in a state other than California.
- **Good Student Discount** - Available for drivers licensed less than eight (8) years who are full time (12 or more units) students with a Grade Point Average of 3.0 or greater. A copy of the most current grades report must be submitted to the Company. In order to preserve the discount on subsequent annual renewals of the policy, a copy of each grades report issued to the student must be submitted to the Company at least 35 days prior to the renewal effective date.
- **Persistency Discount** – Persistency for renewal may be used as a secondary rating factor as defined by CCR Section 2632.5 (d) (11). Persistency discount - A persistency discount of 2% applies to renewal policies having continuous auto insurance with Commerce West for 12 months.
- **Multi-Policy Discount** – If the insured has an in force MAPFRE Insurance Company or Commerce West Insurance Company Homeowner, Condo or Tenants policy, a multi-policy discount will apply.

- **Zero Conviction and Zero Accident Discounts** - Available for drivers with no chargeable moving violations within the three (3) year period immediately preceding the effective date. Drivers will also receive a discount for not having any chargeable accidents within the three (3) year period immediately preceding the effect date. Drivers continue to receive these discounts on subsequent renewals as long they are not convicted of any chargeable moving violations nor have any chargeable accidents.
- **Anti-Theft Device Discount** - Available for vehicles with either a factory equipped or after factory passive disabling device. If the device was not factory equipped, documentation indicating the type of device and whether it is “passive” or “active” must be submitted with the application. This discount is applied to Comprehensive coverage only.
- **Passive Restraint Device Discounts** - Discounts are given for vehicles equipped with factory installed passive restraint devices in the driver-side-only position and for devices in both front seat positions. This discount applies only to Medical Payments coverage.

DOCUMENTATION AND PROCEDURES

NEW BUSINESS

All new business submissions require the following:

1. ACORD California Personal Automobile Application – fully completed and signed by the applicant and the Producer.
2. California Uninsured Motor Vehicle Rejection/Selection Form (when coverage is declined or is accepted at a level below the Bodily Injury Liability limits or less than 30/60, whichever is lower).
3. Commerce West Exclusion of Specified Individuals Form – when needed, listing all excluded individuals and signed by the applicant.
4. State-mandated Community Service Statement.
5. Additional documentation as noted herein.

New Business applications require the original signature of the Named Insured (who must also be listed as Driver #1) and the Producer. Applications and all required additional forms and documentation are to be electronically sent, faxed or postmarked to Commerce West no more than three (3) days after the effective date of the application.

1. **ACORD Application** - Commerce West accepts ACORD California Personal Automobile Application forms for new business submissions. The ACORD Application must be legible, completed fully and accurately and signed by both the Named Insured and the Producer.

Note: All of the following persons must be disclosed in the “Resident & Driver Information” section of the ACORD Application:

- All resident and non-resident primary or occasional operators of all insured vehicles.
- All full time and part time residents (***no matter how old***) of the insured’s household.
- All full time and part time residents (***no matter how old***) of all garaging locations.
- All dependents away at school or in the military.
- All registered and co-registered owners of all insured vehicles.

Failure to disclose all of the above is grounds for concealment and/or misrepresentation which may result in policy rescission and no coverage or defense provided in the event of a claim.

1. **Annual Mileage Calculation** – Annual mileage will be calculated in accordance with the **ANNUAL MILES DRIVEN** section of this manual.
2. **California Uninsured Motor Vehicle Coverage Rejection/Selection Form-** This form must be signed by the insured and the agent whenever one of the following conditions occurs:
 - The insured declines Uninsured Motorist coverages.
 - The insured elects to accept coverage at lower limits than their Bodily Injury Liability limits. If, however, they accept Uninsured Motorist coverage at the statutory limit of 30/60 or higher, the Rejection/Selection Form is not required.
3. **Commerce West Exclusion of Specified Individuals Form** - The Exclusion of Specified Individuals form is mandatory and requires the insured's signature and a listing of all of the following persons if they are not to be rated as drivers on the policy:
 - All full time and part time residents of the household age 15 or older.
 - All full time and part time residents of all garaging locations age 15 or older.
 - All dependents away at school or in the military.
 - All registered and co-registered owners of the insured vehicles.
4. **Community Service Statement** - The California Department of Insurance requires that a completed Community Service Statement form be submitted with all new business applications. The Community Service Statement form is to be completed by the insured. If insureds do not wish to state their national origin, they may elect to check the box declining to provide the information.

5. **Photos** – Photos (2) are required for all vehicles requesting physical damage coverage unless proof of prior physical damage coverage is submitted, or the sales contract accompanies the application indicating the vehicle sold as “NEW” within 30 days of the effective date of the application.

6. **Additional Documentation Requirements** - Along with the fully completed ACORD Application, the Commerce West Exclusion of Specified Individuals, the Community Service Statement, and the California Uninsured Motor Vehicle Rejection/Selection form and Photo Inspection(s) when required, additional documentation must also be submitted when applicable:
 - **Proof of non-fault** for any accident noted on the Application or Motor Vehicle Record as prepared by and on the letterhead of either the Insured’s or the other party’s insurance carrier that provided coverage for the accident. Police Reports are acceptable as proof of non-fault when the report clearly indicates who the fault party is. Insured self certifications may also be acceptable; however, in the event an at-fault accident is declared a non-fault accident by the insured using self certification, the policy may be subject to cancellation for material misrepresentation.

 - **Proof of accidents in the course and scope of employment** where the driver was responding to a call of duty as a paid or volunteer member of any police or fire department, first aid squad or of any law enforcement agency, while performing any other governmental function in a public emergency.

Note: Fault accidents occurring during employment in circumstances other than as stated above are chargeable.

 - Copy of most recent **Grades Report** to support a Good Student Discount.

 - Copy of **Driver Training Completion Certificate** to support Driver Training Discount for drivers who were first licensed at age 18 or older.

 - Copy of **Mature Driver Completion Certificate** to support Mature Driver Discount.

 - Listing of all van/truck vehicle accessories or non-factory installed or non-permanently installed Stereo Equipment or Special Vehicle Equipment to be covered by **Stereo or Special Vehicle Equipment** endorsement (WPI-135) showing current value for each item and quoted rate.

 - Copy of **Producer’s quote** showing all rating factors used to rate the Application.

ENDORSEMENTS

Endorsement requests must be submitted on either the Commerce West Endorsement Request form or an ACORD Personal Policy Change Request form and must be dated and signed by the Producer. Facsimile transmission of the endorsement request is acceptable.

Endorsement Request forms along with all supporting documentation must be facsimiled or postmarked to Commerce West within three (3) days of the Producer's receipt of the Insured's request for endorsement. The effective date of any change must be within 30 days of the date the request is made.

- In the limited circumstance where the supporting documentation (i.e. proof of non-fault, etc.) is not available within three (3) days of the Producer's receipt of the Insured's request for endorsement, the Endorsement Request form must still be submitted to Commerce West within three (3) days and the Producer must indicate in the remarks section of the form when the required documentation will be submitted (in no event more than seven (7) additional days).
1. **Newly Acquired Vehicles (Additional or Substitute)** - Requests for vehicle additions or substitutions require the following documentation and information:
 - **Registered owner(s)** name(s).
 - **Annual mileage** (See **ANNUAL MILES DRIVEN** section of this manual)
 - **Driver assignment.**
 - **Loss Payees' and Leasing Companies'** names and addresses.
 - **Usage** of vehicle.
 - **Photos** required as described in the "Photos" section of this manual.
 2. **Deletion of Vehicle** - Requests for vehicle deletions require that the annual mileage(s) and driver assignment(s) for the remaining insured vehicle(s) be recalculated and stated on the Endorsement Request form.
 3. **Additional Drivers** -Any driver to be added to a policy must meet all requirements of a "Good Driver" or qualify for Exception as a Newly Licensed Driver as defined in the "Drivers" section of the manual and must not be currently excluded. The following documentation is to be submitted with the request:

- **Proof of non-fault** for any accident noted on the ACORD Application or Motor Vehicle Record as prepared by and on the letterhead of either the Insured's or the other party's insurance carrier that provided coverage for the accident. Police Reports are acceptable as proof of non-fault when the report clearly indicates who the fault party is.
- **Proof of citations received in the course and scope of employment** where the violation occurred while the Insured was operating a company owned vehicle for compensation during the hours of employment for those individuals whose specific duties include driving their employer's vehicles. Such proof should be on the letterhead of the Insured's employer.
- **Proof of accidents in the course and scope of employment** where the driver was responding to a call of duty as a paid or volunteer member of any police or fire department, first aid squad or of any law enforcement agency, while performing any other governmental function in a public emergency.

Note: Fault accidents occurring during employment in circumstances other than as stated above are chargeable.

- Copy of most recent **Grades Report** to support a Good Student Discount.
 - Copy of **Driver Training Completion Certificate** to support Driver Training Discount if the driver was first licensed at age 18 or older.
 - Copy of Mature **Driver Completion Certificate** to support Mature Driver Discount.
4. **Deletion of Driver** - Requests to delete drivers require an explanation for the deletion (i.e. divorced, moved out, etc.) and Commerce West may, in certain circumstances, require that the deleted driver be excluded. If the deletion of a driver changes the use or driver assignment(s) of the insured vehicle(s), the new annual mileage(s) and driver assignment(s) must be indicated on the Endorsement Request form.
5. **Address Changes** - Changes of address require the following information:
- Indicate whether the change is for the mailing address, garaging address or both.
 - If the mailing address is a P.O. Box, include the actual garaging address.
 - Provide one-way commute distances and annual mileage based on new address.
 - Provide names, birth dates and drivers license numbers for any new household or garaging address residents *regardless of age*.

6. **Name Changes** - Name changes for the Named Insured or any driver require the following:
 - Reason for change in name (i.e. recently married, legally changed, etc.).
 - If name has been changed due to marriage, provide the name, birth date and drivers license number of the spouse and any other new members of the household.

7. **Mileage Changes** - Requests for change in annual mileage must be substantiated by at least one of the following:
 - Change in commute distance due to change in garaging location or employment location.
 - Driver's participation in a "ride share" program or public transportation for commute.
 - Odometer reading documentation (i.e. smog certificates, service records, etc.) that clearly states what the odometer readings were on specific dates so that actual elapsed mileage can be calculated. The dates must be a minimum of three (3) months apart with the most recent date within thirty (30) days of the change request.
 - Change in household residents or vehicles which would have a substantial impact to the usage of the vehicle.
 - See annual mileage rules described in **ANNUAL MILES DRIVEN** section of this manual.

8. **Limit and Coverage Changes** - Eligibility requirements and additional forms are as follows:
 - Increases in Liability limits require that all non-excluded drivers on the policy qualify as "Good Drivers" or under the Newly Licensed Driver Exception (as defined in the "Drivers" section of this manual) at the time of the Insured's request for increased liability limits.
 - Increases in Bodily Injury Liability limits when Uninsured Motorist Bodily Injury (UMBI) coverage is also provided may require a revised California Uninsured Motor Vehicle Coverage Rejection/Selection form, signed by the Insured, unless the Insured increases the UMBI limit to the same level as the Bodily Injury Liability limit or to at least the statutory limit of 30/60.
 - Deletion of Uninsured Motorist coverage's requires a revised California Uninsured Motor Vehicle Coverage Rejection/Selection form, signed and dated by both the Named Insured and the Producer.

RATING

DRIVER ASSIGNMENT

In order to prepare an accurate quote, it is essential that the assignment of drivers to vehicles be done correctly. Each driver must be assigned to a vehicle unless that person is being excluded from coverage and no driver may be assigned to more than one (1) vehicle. The following rules apply to driver assignment:

Equal Number of Drivers to Vehicles - Assign each driver to the vehicle that person drives the most. The driver assigned to each vehicle is the “rated” driver and all factors related to that driver are applied including years of licensed experience, driving record, Good Student Discount, etc.

More Vehicles than Drivers - Assign the driver(s) to the vehicle(s) he or she drives the most. Any remaining vehicle(s) is classified as “unassigned” and is rated using the excess vehicle factors as well as multi-car discount. Other driving related factors either have a specific factor or use the lowest corresponding factor. Factors related to the actual use, mileage and the specific vehicle’s risk characteristics will be applied in the same manner as assigned vehicles.

More Drivers than Vehicles - If there is more than one driver assigned to a vehicle, the driver that will be “rated” for that vehicle is the driver who has the highest combined factor, regardless of whether that driver is the principal* or non-principal operator of that vehicle.

Non-principal operators are to be assigned to the vehicle they drive the most. If there is more than one non-principal operator and there are vehicles not already assigned a non-principal operator, then assign the remaining non-principal operator(s) to the remaining vehicle(s) in order of the highest rated non-principal operator to the remaining vehicle they operate the most.

**The principal operator of a vehicle is the driver that drives that vehicle the highest percentage of the time the vehicle is in operation. If this driver is not the rated driver, the violation or accident history of this driver will be applied to the vehicle through the use of a Secondary Driver Factor.*

VEHICLE USE

The use classification of the vehicle is based upon the actual use of the vehicle by the principal operator of that vehicle.

- “Business Use” means the use of the vehicle is required or involved in the duties of an occupation, profession or business other than commuting to and from work or school. Use of the vehicle for commercial purposes as identified under the **NON-ACCEPTABLE VEHICLES AND USAGES** section of this manual does **not** constitute business use and **does not qualify** for coverage.
- “Commute Use <30” means the personal use of the vehicle for driving to or from work or school or public transportation where the one way distance is less than 30 miles.

Vehicle Use - Continued

- “Commuter Use ≥ 30 ” means the personal use of the vehicle for driving to or from work or school or public transportation where the one way distance is 30 miles or more.
- “Pleasure use” means any vehicle driven less than 6,495 annual miles not used for commercial purposes or commuting to and from work or school.*
- “Farm use” means the vehicle is garaged on a farm or ranch and is customarily used in the occupation of farming or ranching.

**For the purposes of the “Pleasure Use” definition, carpool is defined as a mode of transportation to and from work or school in a vehicle that is not rated on the applicant’s policy.*

ANNUAL MILES DRIVEN

The annual mileage estimate will represent the annual mileage the insured expects the vehicle to be driven for the twelve months following policy inception or renewal. As set forth in CCR section 2632.5 Commerce West may also require or request information from the insured to support the estimate.

1. For new business or vehicles added during the term of the policy:
 - a. The insured shall provide the miles he or she expects each vehicle will be driven during the twelve month period following policy inception. Commerce West may also require or request the information necessary to support the mileage estimate from the insured during this process (see sections 3 and 4 below) as set forth in CCR 2632.5(2) (C), (D), and (E).
 - b. If the insured does not provide the estimated annual miles or does not provide required or requested information Commerce West may issue a policy using the appropriate default annual mileage figure:
 - i. Primary Vehicles: 9,000
 - ii. Excess Vehicles: 6,000
 - c. If the information provided does not support the insured's estimated annual miles, Commerce West may issue a policy using a reasonable objective mileage estimate based upon the information provided.
 - d. Commerce West shall inform the applicant of the mileage figure which it will use to rate the policy.
2. For renewal business:
 - a. During the renewal process, Commerce West shall, at least every three years, request an insured to provide the estimated annual miles he or she expects each vehicle will be driven during the twelve month period following policy renewal. Commerce West may also require or request information necessary to support the mileage estimate from the insured during this process (see sections 3 and 4 below).
 - b. If the insured does not provide the estimated annual miles or does not provide required or requested information Commerce West may issue a policy using the greater of the expiring annual miles or the appropriate default annual mileage figure:
 - i. Primary Vehicles: 9,000
 - ii. Excess Vehicles: 6,000
 - c. If the information provided does not support the insured's estimated annual miles, Commerce West may issue a policy using a reasonable objective mileage estimate based upon the information provided.
 - d. Commerce West shall inform the applicant of the mileage figure which it will use to rate the policy.
3. Commerce West may require or request an insured to provide the following information:
 - a. If the vehicle is used for commute purposes, the location of the workplace, school, or other destination where the vehicle will be driven and, if applicable, an estimate of the number of one-way miles the vehicle will be driven for commute purposes
 - b. The number of days per week the vehicle will be used for commuting
 - c. An estimate of the number of miles to be driven for pleasure or other purposes
 - d. The approximate total number of miles driven for the twelve months following policy inception or renewal

- e. The current odometer reading of the vehicle to be insured.
 - f. The reason for any differences between the estimate for the upcoming 12 months and the miles driven the previous 12 months
4. Commerce West may request but shall not require an insured to provide the following information:
 - a. Service records which document the odometer reading of the vehicle to be insured.
 - b. The use of technological devices provided by the insurer or otherwise made available to the insured that accurately collect vehicle mileage information.
5. Commerce West may obtain and use smog check odometer readings to estimate annual miles driven.

BILLING

Our Automated Policy Status Line (“CWIC Line”) is available 7 days a week, 24 hours a day. This service allows you to retrieve policy status, the date and amount of the last payments received and the current amount due through an automated system. To access this service, dial (800) 210-6421.

Billing information is also available on the CWIC web site www.commerceswest.net.

PAYMENT PLAN OPTIONS

Commerce West offers six (6) month and annual policies. All pay plans are options are available for both new business and renewals. Commerce West does not accept premium financing.

Six (6) Month:

- **Full Pay Plan** - The Full Pay Plan requires a deposit premium of the full term gross premium with the submission of the new business application.
- **50% Dn 1 Install Plan** - The 50% Dn 1 Install Plan requires a deposit premium of 50% of the full term gross premium with the submission of the new business application.
- **33.33% or 25% Dn 4 Install Plan**– The 33.33% or 25% Dn 4 Install Plan requires a deposit premium of 25% or 33.33% of the full term gross premium with the submission of the new business application.
- **16.70% Dn 5 Install**- This pay plan requires a deposit premium of 16.70% of the full term gross premium with the submission of the new business application.

Note: Producers may not retain up-front commissions on any payment plan.

Annual Policies:

- **Annual Full Pay Plan** - The Annual Full Pay Plan requires a deposit premium of the full term gross premium with the submission of the new business application.
- **Annual 50% Dn 1 Install Plan**- The 50% Dn 1 Install Plan requires a deposit premium of 50% of the full term gross premium with the submission of the new business application.
- **Annual 25% Dn 3 Install Plan** - The 25% Dn 3 Install Plan requires a deposit premium of 25% of the full term gross premium with the submission of the new business application.
- **Annual 12.5% Dn 9 Install** - The Annual 12.5% Dn 9 Install Plan requires a deposit premium 12.5% of the full term gross premium with the submission of the new business application.
- **Annual 16.70% Dn 10 Install** - The Annual 16.70% Dn 10 Install Plan requires a deposit premium equal to 16.70% of the full term gross premium with the submission of the new business application.

If the policy expire or is *canceled for non-payment*, a *two-month deposit premium* is required to reinstate the policy in the Annual 16.70% Dn 10 Install Plan.

- **Annual 8.35% Dn 11 Install** - The Annual 8.35% Dn 11 Install Plan requires a deposit premium equal to 8.35% of the full term gross premium with the submission of the new business application. Note: 8.37% down payment is required for EFT option.

If the policy expire or is *canceled for non-payment*, a *two-month deposit premium* is required to reinstate the policy in the Annual 8.35% Dn 11 Install Plan.

Note: Producers may not retain up-front commissions on any payment plan.

PAYMENT PLAN OPTIONS AND INSTALLMENT TABLES

SIX (6) MONTH POLICIES

	FULL PAY	50% DN 1 INSTALL	33.33% DN 4 INSTALL	25% DN 4 INSTALL	16.70% DN 5 INSTALL
Installment Fees Required at Deposit	N/A	N/A	N/A	N/A	N/A
Subsequent Installment Fees	N/A	+6.00	+6.00	+6.00	+6.00

All pay plans can be set up with EFT (with the exception of Full Pay).

PAYMENT PLAN OPTIONS AND INSTALLMENT TABLES

TWELVE (12) MONTH POLICIES

	ANNUAL FULL PAY	ANNUAL 50% DN 1 INSTALL	ANNUAL 25% DN 3 INSTALL	ANNUAL 12.5% DN 9 INSTALL	ANNUAL 16.70% DN 10 INSTALL	ANNUAL 8.35% DN 11 INSTALL
Installment Fees Required at Deposit	N/A	N/A	N/A	N/A	N/A	N/A
Subsequent Installment Fees	N/A	+6.00	+6.00	+\$6.00	+6.00	+6.00

All pay plans can be set up with EFT (with the exception of Full Pay).

BILLS AND NOTICES

- **New Business** - Deposit premium is required with submission of the application. The amount of the deposit premium is based on the payment plan option selected by the applicant and indicated on the application form.
- **Renewals** - On renewal business, the renewal declaration will be mailed approximately thirty (30) days before the renewal effective date and the renewal bill will be mailed at least twenty (20) days before the renewal effective date. The renewal premium will be due on the renewal effective date. If the renewal payment is not received within five (5) days after the renewal effective date, a Notice of Expiration will be mailed advising that the policy has expired for non-payment of renewal premium.
- **Installments**—If the payment is not received on or before the due date, a Notice of Cancellation will be sent the next business day indicating the policy will be canceled unless payment is received by the cancellation date on the notice. If the payment is received on or before the cancellation date, a Withdrawal of Cancellation Notice will be sent indicating no lapse in coverage.
- **Additional Premium Endorsements** - When an endorsement is processed that results in an additional premium, the system will recalculate the Carry Date. The insured will either be billed separately or with the next installment if it is scheduled to be billed within five (5) days. If an installment bill was generated prior to the endorsement and has not yet been paid, a new bill will not be generated until the prior bill has been paid. The amount of the additional billing will be the premium earned up to the date the endorsement was processed plus the prorated premium due up to the next installment. The balance of the additional premium will then be spread over the remaining installments.
- **Return Premium Endorsements** - Reductions in premium will be applied against any future installments. If the amount of the return premium exceeds the balance on the policy, the remaining return premium will be refunded if it exceeds \$10.00. If the excess is less than \$10.00, it will be held and then applied to any future additional premium endorsements or the next renewal. If the policy is not renewed, the refund will be sent to the insured.

LATE PAYMENTS

Payments must be postmarked PRIOR to the due date to reinstate a policy without a lapse.

All payments received in an agent's office on a cancelled policy will be subject to review for acceptance. If the payment is accepted, the lapse date will be the DATE AFTER POSTMARK. The policy will have a lapse in coverage from the effective date of cancellation until the effective date of the reinstatement and a reinstatement fee will be charged.

If a claim should occur between the time the agent accepted the money and the reinstatement date, due diligence will be conducted by the Claims Department to assess coverage.

We will NOT reinstate any policies wherein an insured's check is returned due to non-sufficient funds. The Guidelines are as follows:

- NSF check to Commerce West Insurance Company or the agent on new business or renewals will result in flat cancellation.
- NSF check on the down payment for new business and the policy has a future cancellation date due to Underwriting Reasons/Substantial Increase in Hazard Insured Against will result in flat cancellation.
- NSF check to Commerce West Insurance Company or the agent at renewal will result in flat cancellation.

NOTE In cases of installment payments by the insured directly to the Company, we will cancel with 10 days legal notice to the insured as is mandated by law.

FEES

All fees are fully earned. When payments are received, any outstanding fees will be paid first and the remaining monies will be applied to the premium balance. When payments are received and there are fees associated with that payment, i.e., service charges, reinstatement charge, etc., the fee will be paid first and the remainder of the payment will be applied to the premium due. The schedule of fees is as follows:

Policy fee	\$10.00
Cancellation fee	\$15.00
NSF Check Charge	\$25.00
Anti-Fraud Fee	\$ 0.90
Reinstatement with Lapse	\$10.00
Live Service Payment Convenience Fee	\$ 5.00
EFT Installment Fee	\$ 1.00
Non EFT Installment Fee	Refer to Installment Tables

NOTE: When payment is made with an NSF check, reinstatement is solely at the discretion of the Company. GDD is applied to the Reinstatement, Endorsement and Policy fee when applicable.