

HALLMARK

I N S U R A N C E

Oklahoma

Personal Auto Program

- | New Business: 2/16/2015
- | Renewals:
 - 1 Month Term: 3/18/2015
 - 6 & 12 Month Terms: 4/17/2015

- | Hallmark 612
- | Monthly Terms



Service is our Hallmark.



ELIGIBLE VEHICLES

Private passenger automobiles including cars, vans, pickup trucks and utility vehicles; not exceeding 1 ton load capacity, are eligible for coverage. Vehicles must be owned or leased by an individual and may not be used for commercial purposes.

BINDING AND EFFECTIVE DATES

Producer must be properly appointed and issued a producer number prior to binding any policies. Applications for coverage must be consistent with the written program guidelines and producer agreement. The down payment or full premium must accompany the application or endorsement. Applications and endorsements processed through the Point Of Sale System ("POS") will be bound effective the date and time assigned by the system. All other applications and endorsements will be bound no earlier than the date and time the application is signed by the applicant and agent, provided the envelope containing the fully completed application along with all required documentation is postmarked within 48 hours from binding. If coverage is not bound as indicated, the effective date and time of coverage will begin no earlier than 12:01 A.M. the day following the postmark. The postmark used is the U.S. Postal Service Postmark (a company postage machine meter mark is not considered U.S. Postmark).

Applications will not be accepted with a future effective date exceeding sixty days from the current date. Applications or endorsements may not be bound to cover a loss which occurred before the application is signed.

DOCUMENT RETENTION

For all policies issued by the agent through the POS system, it is the agents' responsibility to secure the required documentation upon binding and retain this information in the insured's file for a period of seven (7) years after the last policy renewal expiration date. Any and all documentation must be made available upon company request.

AGENCY FUNDS

Any Agency funds that are returned from the bank unpaid must be replaced immediately with good funds. Recurring instances of returned funds could result in immediate cancellation of the agency contract.

POLICY TERMS

- Monthly Term Programs
Initial terms are paid in full and renewed on a monthly basis.
- Semi-Annual and Annual Term Programs

PAYMENT OPTIONS

Term	Down pay	Installments	1 st pay due	Installments
6	16.67%	5	20	Monthly
6	16.67%	5	30	Monthly – Recurring Payment
6	20%	5	25	Monthly
6	22%	5	30	Monthly
6	25%	5	30	Monthly
6	33%	5	30	Monthly
6	40%	5	30	Monthly
*12	8.33%	11	20	Monthly
*12	11%	11	30	Monthly
*12	13%	11	30	Monthly
*12	17%	11	30	Monthly
*12	20%	11	30	Monthly
*12	25%	11	30	Monthly

** Available for renewals only*

INSTALLMENT FEE

All 6 and 12 month policies will be charged a \$9 installment fee. However, if the policy is on a Recurring Payment plan, a \$4 installment fee will be charged.

NSF/RETURN PAYMENT ITEMS FEE

\$30.00 on all returned payment items.

POLICY FEES

Policy fees will apply to all new and renewal business and are fully earned.

LATE FEES

On all 6 and 12 month term policies, a \$7.00 late fee will apply if payment is made after the due date.

SR-22 FEE

A \$20.00 fee will apply for each original SR-22 filing. This is a one-time fee charged at the time the SR-22 is required.

FINAL UNDERWRITING AUTHORITY

THIS MANUAL MAY NOT ADDRESS every aspect that might affect the acceptance or continuation of a particular vehicle or driver. For this reason, the company RESERVES THE RIGHT TO remain the final authority in the acceptance or continuation of any risk.

ENDORSEMENTS

All endorsements that generate an additional premium must be paid pursuant to the calculation of premium due as generated by the POS system. (Examples may include but not limited to: adding a vehicle, coverage or driver, territory address change, driver class change, etc.) For date and time bound, please refer to the binding and effective date's section.

To process endorsement requests submitted through the mail, we require:

- Agent number and name of representative handling request for change
- Policy number, effective date and requested change with all required information
- Additional premium

Signed endorsement requests are required for the following:

- Addition or Deletion of UM coverages (signed selection/rejection required)
- Deletion of any coverage or vehicle
- Request to exclude a driver (signed driver exclusion required)

POLICY ISSUANCE, RENEWALS AND LAPSE IN COVERAGE

Monthly Term Renewal certificates are mailed approximately 15 days prior to the expiration of the policy. All renewal certificates will be issued for a one (1) month term. The due date is the effective date of the renewal certificate. Premium **MUST** be postmarked or received in the agent's office by the due date for coverage to continue without any lapse.

If payment is received by mail at the Company after the due date, the policy will be reinstated effective 12:01 AM the day after the postmark of the insured's envelope or the date and time the agent received the payment. If the date and time payment was accepted is not received from the agent, the policy will be reinstated effective 12:01 AM the day following the agent's postmark. If payment is received by the agent and processed through the POS system, the policy will be reinstated effective the date and time the agent posted the payment.

The lapse in coverage period cannot extend beyond 60 days from the renewal date. If received after 60 days from the renewal date, the payment will be returned and a new policy must be submitted.

Semi Annual/Annual Renewal - Invoices will be mailed directly to the insured and billed in 6 or 10 equal installments. **THERE IS NO GRACE PERIOD FOR LAPSE IN COVERAGE.**

Notice of Non-Renewal – A 20 day notice of non-renewal is provided.

TEMPORARY BINDING RESTRICTIONS

The company will not accept applications or endorsements during the specific events outlined below, which represent an elevated exposure level to the company. Agents are responsible for enforcing these temporary binding restrictions, whether the company issues a bulletin or the system is modified to prevent binding.

No applications or endorsements may be bound during the following events:

Event	Binding Restriction Impacts	Binding Restriction in Effect
Severe Weather Watch or Warning (Hurricane, Tornado, Hail, named storm, or similar)	Counties within 100 miles of the storm front.	The Watch or Warning has been lifted, plus 24 hours (1 day).
Wildfire	Counties within 30 miles of the active fire location.	The fire has been contained.
Earthquake or Aftershock (minimum 5.0 magnitude on Richter scale)	Counties within 100 miles of the epicenter.	The aftershocks have dissipated to below 5.0 magnitude, plus 72 hours (3 days).
State of Emergency or Declared Disaster Area	Counties included in the state of emergency or the declared disaster area.	The state of emergency or declared disaster area has been lifted, plus 24 hours (1 day).

- Applications with an effective date/postmark combination which violate the prohibitions listed above will be rejected and no coverage will have existed.
- Renewals of the company's expiring policies may be written in the normal manner providing there is no increase in exposure to the company.

CLAIMS

All claims should be reported directly to our claims service, by calling 1-800-486-5616. Please have the insured report the claim. If the agent takes the claim and fails to fax or telephone the information within 24 hours, agent could be responsible for any fines imposed by the OKLAHOMA DEPARTMENT OF INSURANCE.

CANCELLATIONS

NO FLAT CANCELLATIONS (EXCEPT INSURED'S FULL DOWN PAYMENT THAT IS RETURNED DUE TO INSUFFICIENT FUNDS TO THE COMPANY OR AGENT). To effect a cancellation, the Company must be relieved of the obligation to provide coverage to the Insured and Lienholder (if applicable). A cancellation effective date will not be more than 30 days prior to receiving the request.

COVERAGES

Liability Bodily Injury.....	\$25,000 / \$50,000 \$50,000 / \$100,000
Liability Property Damage.....	\$25,000 \$50,000
Uninsured Motorist Bodily Injury.....	\$25,000 / \$50,000 \$50,000 / \$100,000
Medical Payments.....	\$500 \$1,000 \$2,000 \$5,000
Rental Reimbursement..... <i>(Must have OTC/Collision to qualify for this coverage)</i>	\$20 per Day, \$600 Maximum
Towing and Labor..... <i>(Must have OTC/Collision to qualify for this coverage)</i>	\$50 per Disablement

DEDUCTIBLES

Optional							
	1	2	3	4	5	6	7
OTC	\$250	\$250	\$500	\$500	\$1,000	\$1,000	\$2,000
Collision	\$250	\$500	\$500	\$1,000	\$1,000	\$2,000	\$2,000

NAMED NON-OWNER COVERAGE

The Named Non-Owner Coverage endorsement amends the policy so that it provides secondary Liability coverage (minimum limits only) for the named driver listed in the policy declarations page, while operating a non-owned private passenger automobile. Motorcycles, mopeds, ATV's, motor homes, or any other recreational vehicles are not covered under this endorsement. Broad form policies are not available.

TERRITORIES

All territories are determined according to the zip code in which the vehicle is garaged.

PREMIUM CALCULATION

Premiums are calculated by using the Rate Order of Calculation table. Developed premium by line of coverage is rounded to the nearest whole dollar. For example: \$100.50 would be \$101.00 and \$100.49 would be \$100.00.

DISCOUNTS:

TRANSFER / PRIOR COVERAGE DISCOUNT (Available with 6 & 12 month terms)

A prior coverage discount may be applied if the insured has a policy that has been continuously in-force for 6 months. Lapse between the effective date of our policy and the termination date of the prior policy may not exceed thirty (30) days.

Proof should include the prior company's name, policy number, effective and expiration dates for the previous six (6) months and MUST be maintained in the insured's file.

Acceptable proof includes a policy declarations page, experience letter or ID card issued from previous carrier.

IN-AGENCY TRANSFER DISCOUNT (Available with 6 & 12 month terms)

The in-agency transfer discount will be applied if the insured is eligible for the prior coverage discount (as defined above) and the prior coverage was written by the same agency submitting the application to Hallmark. The prior insurance and in-agency transfer discount are mutually exclusive.

Acceptable proof includes a policy declarations page or an experience letter issued from previous carrier, listing the agent of record.

MULTI-CAR DISCOUNT (Available with all terms)

A multi-car discount applies when two (2) or more vehicles are rated on the same Hallmark policy. The discount varies based on the combination of active vehicles and non-excluded drivers on the policy.

HOMEOWNER DISCOUNT (Available with 6 and 12 month terms)

A homeowner discount will be applied if the named insured or spouse owns the home or condo at the address shown on the application. Renter's and mobile home policies are ineligible. A copy of the homeowner declaration page must accompany the application. Verifiable proof of ownership must be maintained in the insured's file.

MOTOR VEHICLE ACCIDENT PREVENTION COURSE DISCOUNT (Available with all terms)

A 5% Motor Vehicle Accident Prevention Course Discount applies to all new and renewal premium for all coverages provided:

The auto is classified and rated as a private passenger auto; and the principal operator of the auto has a completion certificate, dated within the most recent 36 months, certifying successful completion of an accident prevention course approved by the company of the policy holder. This discount shall apply to:

- New and renewal policies with inception dates within the 36 month period following the course completion date.
- Only to the motor vehicle principally operated by the eligible person.
- Discount does not apply if the approved course was taken pursuant to a court order resulting from a motor vehicle violation or an alcohol or drug related offense.

PAID IN FULL (Available with 6 and 12 month terms)

A paid in full discount is applied when the total policy premium plus fees is collected at the inception if the policy.

RECURRING PAYMENT DISCOUNT (Available with 6 and 12 month terms)

A recurring payment discount is applied when the policy is placed on a recurring payment plan.

FOREIGN OR INTERNATIONAL DRIVERS LICENSE

A foreign driver's license discount will apply to any driver who is not a U.S. Citizen but is able to provide an acceptable ID issued by the foreign government/consulate. Acceptable proofs are international or foreign driver's license, passport, and Matricula or other consular ID. Agents are to retain copies of proof for records and documentation. Unverifiable driving record does not apply to drivers with an international license if proof is maintained in agency file.

VEHICLE PROFILE FACTOR

Any policy with full coverage will have a factor applied to BI and PD liability coverages.

DRIVER TO VEHICLE ASSIGNMENT

Drivers are assigned by applying the highest rated driver to the highest rated vehicle, the second highest driver to the second highest vehicle, and so on. When there are more cars than drivers, the highest to highest rule is used, until there are no more drivers to assign, at that point, the Unassigned Driver Class is applied to remaining vehicles.

MARRIED VERSUS SINGLE CLASSIFICATION

Married drivers not living with their spouse must be rated as single unless career obligations or military service require them to live away from home for a period of time. Married means a driver living with their spouse or otherwise meeting the statutory definition of married.

UNACCEPTABLE / INELIGIBLE OR PROHIBITED RISKS

1. Named Insureds who have never been licensed.
2. Drivers who have never been licensed in any state. This rule does not apply to those who have a Foreign Driver's License (FDL). This rule applies to U.S. Citizens who have never been licensed and only have a state ID card.
3. Operators under the minimum age for state licensing.
4. Operators without a garaging address.
5. Any Driver who has been convicted of insurance fraud.
6. Named Insureds under the age of 18 unless parent or guardians signature accompanies the insured's signature on all areas of the application.
7. Any driver with more than 12 points.
8. Any driver with 3 or more At-Fault claims within any 12 month time period.
9. Any driver with more than 1 DWI/DUI in the past 3 years.
10. Any driver under age 25 with any alcohol or drug related violation.
11. Any driver with an "At Fault" Accident and DWI/DUI in a 12 month period if separate occasions.
12. Any policy with three or more At-Fault accidents in the past 12 months. All drivers combined.
13. Any driver with vehicular manslaughter, criminal negligence, or negligent homicide.
14. Any driver with a physical impairment that affects their ability to drive, unless their vehicle has been modified to offset their impairment. Any special equipment must be fully described. Driver must submit a Medical Statement signed by Physician.
15. Moving out of state during policy period.
16. Any driver that is an employee or family member of an employee of Hallmark Insurance Company or an affiliated company; or any driver that is an agent, employee or family member of an agent.
17. Named Insureds who refuse to disclose information requested on the application or fail to respond to a request for information by Hallmark staff may be considered an Unacceptable, Ineligible or Prohibited Risk. The policy may be cancelled subject to Oklahoma cancellation regulations or surcharged up to 12 points.

EXCLUSIONS

- All household members who have reached the minimum age of licensing, whether licensed or not must be either excluded or rated. This includes anyone who reaches this age during the policy term.
- The Named Insured may not be excluded or deleted.
- A spouse may be excluded.
- A non-driving or non-licensed spouse must be excluded from coverage.
- Drivers with their own vehicles or own insurance must be listed on the application as either active or excluded.
- Registered owners may be excluded.
- All exclusion forms must be signed by the Named Insured(s) before they are effective.

SPECIAL RULES

1. Active military and their spouses may furnish an out-of-state driver's license and their military ID.
2. Collision and Other Than Collision not written without Liability coverage.
3. Collision and Other Than Collision are only written in combination.
4. If spouse is excluded, proof of marriage may be required.

UNACCEPTABLE/ INELIGIBLE /PROHIBITED RISK, OR VEHICLE ADDED DURING POLICY TERM

If ineligible during the policy term and outside the cancellation period the policy will be uprated and non-renewed.

VIOLATION CLASSIFICATIONS

Violation	1st Occurrence	Each Additional
At-Fault	3	3
DWI / DUI	2	5
Major Violation	5	5
Intermediate Violation	3	3
Minor Violation	1	2
Not-At-Fault Accident	0	0
Unverifiable MVR*	3	N/A
Non-Moving Violation	0	0
Prohibited Risk	12	12

**Does not apply to drivers with an international driver's license.*

CHARGEABLE PERIOD AND PROCEDURES

Violation points are assigned to operators for chargeable accidents and violations.

The chargeable period is the 36-month period prior to the effective date of the policy. When a driver is added midterm, accidents and violations will be charged for the 36-month period prior to the date the driver is added.

If two or more violations or accidents are from the same occurrence, charge for only one of the violations or accidents unless accident occurs in conjunction with a DWI/DUI, then both violation and accident will be charged. The order of selection for determining the chargeable violation is: (1) Major, (2) DWI/DUI, (3) Accident, (4) Intermediate, (5) Minor Violation.

Accidents noted on the MVR or application will be considered at-fault unless proof is secured to verify that the insured was not-at-fault. Accidents involving animals are not-at-fault. Accidents involving hitting another vehicle or object as a result of swerving to avoid an animal are at-fault.

MAJOR VIOLATIONS

Driving while license suspended
Failure to stop and render aid
Felony involving vehicle
Fleeing or attempting to elude a police officer
Hit and run
Leaving scene of accident
Reckless driving
Speed contest

INTERMEDIATE VIOLATIONS

Altered driver license
Driving on sidewalk
Driving without valid license
Education program required
Excessive acceleration
Failure to control vehicle
Passing stopped school bus
Unsafe speed
Wrong side of roadway
Wrong way on one-way

MINOR VIOLATIONS

All other moving violations not listed under Major or Intermediate Violations

SALVAGE TITLES

1. The following title types are acceptable for all coverages:
 - Salvage
 - Fire Damage
 - Flood Damage
 - Hail Damage
 - Washed
 - Altered
 - Taxi
2. Claims, repairs and total loss evaluations will be based on the Actual Cash Value for the appropriate title type.
3. The following titles are not acceptable:
 - Junk
 - Dismantled

UNACCEPTABLE/PROHIBITED VEHICLES

1. Vehicles garaged outside of Oklahoma, including vehicles used by students attending school outside of Oklahoma.
2. Police, emergency or other related public service vehicles.
3. Pickup trucks, vans or utility vehicles with a load capacity greater than 1 ton.
4. Homemade or custom built vehicles, Dune buggies, off road vehicles, all-terrain vehicles, motorcycles, camper vans, motor homes.
5. Trucks with a flat or stake bed, dump trucks or wreckers.
6. Vehicles with altered suspensions; including lift kits or low riders.
7. Vehicles used or equipped for use in speed contests or racing, or other "Hot Rod" vehicles.
8. Vehicles used for deliveries, including, but not limited to: pizza delivery, courier services, paper delivery.
9. Vehicles owned or leased by a corporation, partnership or other business.
10. Vehicles used for livery or public conveyance such as: Taxis, Limousines or Day Care Vans.
11. Vehicles leased or rented to other operators by the applicant.
12. Rare, Classic or Vintage type vehicles.
13. Grey Market vehicles or vehicles not originally manufactured to meet U.S. standards.
14. Vehicles that are regularly made available to non-listed drivers.
15. Vehicles available to multiple drivers for sales, farming, etc.
16. Vehicles greater than 30 years old for physical damage.
17. Convertible type or convertibles, T-Top or removable top vehicles are not eligible for physical damage.

18. Vehicles with a value in excess of \$40,000 for Physical Damage coverage.
19. Customized vehicles in which the value of the customization exceeds 50% of the current value of the vehicle without customization.
20. Vehicles with dual wheels.
21. Commercial vehicles.
22. Farm Classes.
23. Vehicles with a Junk Title or Dismantled Title.

BUSINESS OR ARTISAN USE

Business Use: includes, but is not limited to: private passenger automobiles used by sales or service representatives, insurance agents, real estate agents or other professionals visiting multiple locations. Vehicles owned by the insured and used in a business for occasional errands are also acceptable.

Artisan Use: A single vehicle, not exceeding 1 ton load capacity which is used to transport tools or other materials, to no more than 2 job sites per day; where such transport is incidental to the insured's trade or business. The vehicle must be operated solely by the named insured or other resident relatives.

Vehicles used to transport explosives, flammable materials, or equipment weighing more than 500 pounds are NOT ACCEPTABLE for Artisan use.

Trades not eligible for coverage include: Pest Control, Roofing, Landscape, Lawn Care and Painting. Multiple (more than 1) Artisan Use Vehicles are not eligible for coverage. Applications requesting business or artisan use must submit photos and an inspection form.

SPECIAL/CUSTOM EQUIPMENT

All requests to cover special or custom equipment must include photos and additional premium. Customization may not exceed 50% of the current value of the vehicle without customization.

VEHICLE INSPECTIONS/PHOTOGRAPHS

Vehicle inspections along with two (2) photographs are REQUIRED on all vehicles with Prior Damage, Customization or Business/Artisan Use. Customization includes but is not limited to: special edition models, "special packages" whose suggested retail price new is \$500 or more, or value of the special equipment, parts or accessories added by anyone other than vehicle manufacturer or authorized dealer. Customization may not exceed 50% of the current value of the vehicle without customization.