



HALLMARK

SPECIALTY PERSONAL LINES

Colorado

- New Business: 11/10/14
- Renewals: 1/9/2015

Personal Auto Program

- Formerly State Auto National
- 6 & 12 Month Terms



AGENCY COMPLIANCE & BINDING AUTHORITY

AGENT'S OBLIGATION

It is the agent's obligation to field underwrite every risk submitted to the Company. All questions on the application must be explained to the applicant and the consequences of missing or incorrect information outlined in detail.

Note: We obtain underwriting reports that include credit history information on every risk. If any undisclosed violations, accidents or drivers in the household are discovered, all applicable surcharges will be applied or discounts eliminated and the policy will be amended. A cancellation notice may be generated at the same time at our discretion.

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 issuing 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.

Applications will not be accepted with a future effective date exceeding 60 days from the current date. Applications or endorsements may not be bound to cover a loss, which occurred before the application is signed. No agent may back date an application, cancellation or change request for any reason. Back dating is defined as using any date other than the current date and time, or the date and time all binding requirements have been completed, whichever is later. No agent is authorized to issue verbal or written coverage binders.

Note: Vehicles with Other Than Collision and Collision Coverage SHOULD BE INSPECTED BY THE AGENT prior to binding those coverages. Any damage must be noted on the application.

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

Semi-Annual and Annual Term Programs

PAYMENT OPTIONS

Term	Plan Name	New or Renewal	Down Payment	Installments	1st Pay Due	Billing
6	Monthly	New (EFT ONLY)	16.67%	5	30 Days	Every 30 Days
6	Monthly	New	20.00%	5	30 Days	Every 30 Days
6	Monthly	New	24.00%	5	30 Days	Every 30 Days
6	Two Pay	New	60.00%	1	90 Days	Every 90 Days
6	Pay In Full	New or Renewal	Paid-In-Full	0	0	0
6	Monthly	Renewal	16.67%	5	30 Days	Every 30 Days
6	Pay In Full	New or Renewal	Paid-In-Full	0	0	0
12	Monthly	New (EFT ONLY)	8.33%	11	30 Days	Every 30 Days
12	Monthly	New	10.00%	11	30 Days	Every 30 Days
12	Monthly	New	12.00%	11	30 Days	Every 30 Days
12	Quarterly	New	30.00%	3	90 Days	Every 90 Days
12	Two Pay	New	55.00%	1	180 Days	Every 180 Days
12	Monthly	Renewal	8.33%	11	30 Days	Every 30 Days
12	Paid In Full	New or Renewal	Paid-In-Full	0	0	0

METHODS OF PAYMENT

- Customer Payment Options:
 - Credit Card - Customers can use their credit card to make a down payment when taking out a new policy with Hallmark National.
 - By Check - Customers can mail in a check with the invoice billing stub.
 - EFT - Customers can have an automatic deduction taken from their bank account/credit card.
 - Payments can be made any time of the day or night, seven days a week, by credit or debit card (Visa or Master Card) using either of these options:
 - Pay on the web at www.hallmarkpayments.com.
 - Pay by phone using our automated service - just call (800) 486-5616.
- Agent "Sweep"/ Upload Payments - Agents can collect insured payments in their office, deposit in their bank account, and Hallmark "sweeps" the money out via electronic transaction.

Note: All payments will be processed the day notice is received. Any down payment that results in an NSF (Non-Sufficient Funds) transaction will be rescinded and the policy voided.

SERVICE FEES

- Installment Fee – All policies will be charged a \$5.00 installment fee.
- NSF Fee – A \$20.00 service fee will be charged on checks returned as NSF.
- Late Fee – On all 6 and 12 month term policies, a \$5.00 late fee will apply if payment is made after the due date.
- SR-22 Fee – A nonrefundable \$10.00 filing fee will be charged for every SR-22 filing we make for an insured.
- Reinstatement Fee – A nonrefundable \$15.00 reinstatement fee will be charged each time a policy is reinstated.
- Policy Fee – A nonrefundable \$15.00 six month policy fee will be charged to issue a new, renewal or rewritten policy.

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 dates 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 coverage (signed selection/rejection required)
- Deletion or reduction of any coverage or vehicle
- Request to exclude a driver (signed driver exclusion required)
- Insured requested cancellations

Note: Any change request to reduce or delete coverage submitted to the Company without the required signature will be processed with the understanding and presumption the agency has obtained the required signature and will retain the required signature in the agency file.

RENEWALS AND LAPSE IN COVERAGE

Semi Annual/Annual Renewal – Invoices will be mailed directly to the insured and billed in 6 or 12 equal installments. THERE IS NO GRACE PERIOD FOR LAPSE IN COVERAGE.

SEVERE WEATHER “WATCH OR WARNING”

Whenever the National Weather Service issues a hurricane, tornado, hail or other severe weather watch or warning, or a State of Emergency is declared by state or local authorities, and the storm is within 100 miles of the location of the proposed risk, coverage acceptance is limited as follows:

- No new business policies may be written or bound.
- Physical Damage may not be endorsed onto existing policies.
- Renewals of the company's expiring policies may be written in the normal manner providing there is no increase in exposure to the company.
- Normal binding authority will resume after the watch and/or warning is lifted by the National Weather Service, providing there is no forecast of an imminent re-occurrence.
- Applications with an effective date/postmark combination which violate the prohibitions listed above will be rejected and no coverage will have existed.

CLAIMS

All claims should be reported directly to our claims service, by calling (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 Colorado 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). Cancellations are effective no earlier than the date and time the cancellation request signed by the insured is received, unless acceptable proof of replacement coverage is provided.

FINANCIAL RESPONSIBILITY PROCEDURES

Agent is responsible for issuing and filing the Financial Responsibility Certificate (SR-22 form). Send original and second copy to the Colorado Department of Transportation, along with insured's money order (if required). Filings are available only for the state in which the policy is issued. No out of state filings allowed.

COVERAGES

BI/PD LIMIT OPTIONS

\$25,000 / \$50,000 / \$15,000
\$25,000 / \$50,000 / \$25,000
\$50,000 / \$100,000 / \$25,000
\$50,000 / \$100,000 / \$50,000

Note: Liability limits must be the same on all cars of a multi-car policy.

UNINSURED/UNDERINSURED MOTORISTS - BODILY INJURY

\$25,000 / \$50,000
\$50,000 / \$100,000

1. UM/UIM BI coverage shall be afforded under every auto liability policy issued or delivered to the owner of a motor vehicle licensed for highway use in Colorado, unless rejected in writing.
2. UM/UIM BI limits shall be offered up to limits equal to the Bodily Injury limits selected or 50/100 whichever is less. The named insured may select lower limits.
3. UM/UIM BI coverage will be issued at a limit equal to the minimum Financial Responsibility limit if the insured did not select a limit and no signed rejection was received.
4. UM/UIM BI coverage is available only on policies with Liability coverage.
5. The written agreement to reject this coverage or limits up to the Bodily Injury limits is binding with respect to any change in the vehicles insured under this policy, or any other policy which reinstates, transfers, substitutes, amends, alters, modifies, replaces or renews the existing policy unless the named insured requests such coverage or increased limits in writing. However, the offer of UM/UIM BI limits up to limits equal to the Bodily Injury limits shall be made if there is a subsequent increase in Bodily Injury Liability limits and the UM/UIM BI limits would be less than such limits.
6. UM/UIM BI rates apply on a per policy basis.

UNINSURED MOTORISTS - PROPERTY DAMAGE

\$100 / \$250 / \$500 / \$1,000

1. UMPD shall be afforded, at the request of the insured, on any liability-only vehicle provided that UM/UIM BI coverage is afforded under the same policy.
2. UMPD Coverage is not available for any vehicle carrying Collision Coverage.
3. UMPD Coverage is not subject to a stated limit of liability. Coverage is provided on an actual cash value basis, subject to the limitations in the applicable endorsement.
4. UMPD Coverage is subject to a deductible.
5. UMPD coverage is not available on Named Non-Owner policies.
6. UMPD rates apply on a per vehicle basis.
7. UMPD Coverage is optional

MEDICAL PAYMENTS

\$5,000

1. Medical Payments Coverage is a mandatory coverage in the state of Colorado at a limit of \$5,000, unless rejected in writing.
2. To reject coverage, please complete the Colorado Selection/Rejection of Medical Payments Coverage.
3. Medical Payments Coverage is available only on policies with Liability Coverage.
4. Medical Payments limits must be the same on all cars of a multi-car policy.
5. Medical Payments limits are for each person injured in any one accident.

DEDUCTIBLES

Other Than Collision	Collision
100	100
250	250
500	500
1,00	1,00

The Other Than Collision deductible will be reimbursed if a vehicle is stolen and subsequently recovered as the result of an activated electronic vehicle recovery system (i.e. OnStar, LoJack, etc.)

Note: Other Than Collision and Collision deductibles are available in any combination as long as Collision is equal or greater than Other Than Collision.

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.

OPTIONAL LIMIT TRANSPORTATION EXPENSES

1. Transportation Expenses limit of \$20 per day/\$600 maximum is automatically included when Other Than Collision coverage is afforded for "your covered auto".
2. Optional Limits Transportation Expenses Coverage must be written at policy inception. Coverage may be added at each subsequent renewal.
3. The \$20/\$600 limit for Transportation Expense Coverage may be increased to the following limit.

<u>Optional Limit</u>	<u>Semi-Annual Premium per Vehicle</u>
\$25 per Day/\$750 Maximum	\$8

AUTO LOAN / LEASE COVERAGE

1. Coverage for the difference between the lease or loan pay-off of a covered auto and ACV will be available only at policy inception and at each subsequent renewal of the policy.
2. Auto Loan / Lease Coverage is only available on new vehicles with Liability, Other Than Collision and Collision coverages. A new auto as used in this rule is an auto that has not previously been owned or titled and in which the lender, a financial institution or dealer, retains a valid security interest in the auto.
3. The premium for Difference in Value Coverage will be equal to 3% of the total of the Other Than Collision and Collision premiums.
4. Auto Loan / Lease Coverage is a vehicle endorsement and applies only when the vehicle for which this Coverage is indicated on the Declarations page is destroyed in a covered loss. Coverage does not apply to overdue payments or penalty charges assessed for excessive mileage or excessive wear and tear, carry-over loans, etc. Refer to coverage form for a complete listing of limitations.

Semi-Annual/Annual Premium = 3% of Other Than Collision and Collision Premiums

TOWING AND LABOR

1. Towing and Labor Costs Coverage is only available on vehicles with Other Than Collision and Collision coverages.
2. Towing and Labor Costs is a vehicle endorsement and applies only when the vehicle for which this coverage is indicated on the Declarations is disabled.

\$50 Per Disablement

Semi-Annual Premium = \$6 Per Car

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:

All discounts may be applicable. If a policy is no longer eligible for a discount due to a mid-term vehicle deletion or policy cancellation, the discount will be removed on a pro-rata basis.

HOMEOWNERS

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 declarations page must accompany the application. Verifiable proof of ownership must be maintained in the insured's file.

PAID IN FULL

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

BLUE CHIP RATING

The policy will receive a premium discount based on the applicant's credit score.

MULTI-CAR

A multi-car discount applies if we insure two or more vehicles on the same policy.

SENIOR DRIVER

A senior driver discount will apply to all drivers 55 years and older who have successfully completed a motor vehicle accident prevention course that is approved by the Colorado Motor Vehicles Division. This discount will not apply in the event that (A) the applicant attended the course as punishment specified by a court, (B) has been involved in an accident for which they are at fault, or (C) pleads "nolo" or is found guilty of a moving traffic violation.

Acceptable proof includes a copy of the course completion certificate indicating completion date no older than 3 years.

PRIOR INSURANCE DISCOUNT

A prior coverage discount will be applied if the insured has a policy that has been continuously in force for six (6) months. Lapse between 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, ID card, or an experience letter issued from previous carrier.

EFT DISCOUNT

An EFT discount is available and requires a complete EFT authorization form.

DRIVER TO VEHICLE ASSIGNMENT

1. The highest rated driver will be assigned to the highest rated vehicle, the second highest rated driver to the second highest rated vehicle, and so on. "Highest rated driver" is defined as the driver with the highest cumulative driver class point relativity. "Highest rated vehicle" is defined as the vehicle with the highest total premium after rating each vehicle with its respective coverages using the driver class relativities of the "highest rated driver".
2. When there are more vehicles than drivers, all additional vehicle(s) will be rated with the driver class of the lowest rated driver on the policy at 0 points.

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.

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 vehicle or own insurance must be listed on the application as either active or excluded.
- Registered owners must be listed on the policy. They may be excluded, if excluded they cannot be listed as Driver 1(Named Insured).
- All driver exclusions become effective no earlier than the date and time the exclusion form is signed by the Named Insured(s).

Note: In lieu of cancellation, non-renewal, or premium increase due to the claim experience or driving record of one or more but fewer than all drivers in the household, the insurer must offer continuance with a driver exclusion.

REINSTATEMENTS

There is no grace period for accepting payments after the effective date of cancellation. However, reinstatements (no lapse in coverage) will be considered on a prior approval basis. A Hallmark National statement of no loss form must be completed and received by the Company prior to any reinstatement. A reinstatement fee will apply.

REWRITES

Policies cancelling for non-payment may be rewritten without a new application within 60 days of the date of cancellation.

If all of the policy characteristics remain the same compared to the cancelled policy, simply bring up the cancelled policy on our PTS software and click the Rewrite button. When rewriting a policy, please ensure all eligible coverages transfer to the new policy. All outstanding balances on cancelled policies must be paid before the insured is rewritten.

VIOLATION CLASSIFICATIONS

Violation	1st Occurrence	Each Additional
At-Fault-Accident	3	4
Major Violation	4	4
Alcohol / Drugs / Narcotics: <ul style="list-style-type: none"> Allowing an intoxicated person to drive vehicle Driving under the influence of alcohol, drugs or narcotics Driving under the influence of drugs/opiates Driving with open alcohol container Illegal possession of alcohol, drugs or narcotics Refusal to take test under any implied consent law Driving under the influence of alcohol, drugs or narcotics and under the age of 21 Driving under the influence of alcohol, drugs or narcotics in conjunction with an accident or major violation 	1	6
Minor Violations	2	2
Speeding	2	1

MAJOR VIOLATIONS

Driving while license suspended/revoked
 Failure to stop and render aid
 Felony involving vehicle
 Fleeing or attempting to elude a police officer
 Hit and run
 Leaving scene of accident
 Operating vehicle without owner's consent
 Reckless/Careless/Negligent driving
 Racing or drag racing
 Vehicular homicide or assault with a motor vehicle

MINOR VIOLATIONS

Wrong side of roadway
 Failure to yield
 Improper or illegal passing or turning
 Failure to control vehicle
 All other moving traffic violations
 *(excluding parking tickets)

ALCOHOL OR DRUG VIOLATIONS

Driving under the influence of alcohol, drugs or narcotics includes any form of traffic intoxication, refusal to take tests under any implied consent law and any "open bottle" violation.

POINT DEVELOPMENT

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 mid-term, accidents and violations will be charged for the 36 month period prior to the date the driver is added.

Only violation incidents resulting in a conviction will be chargeable.

If two or more violations or accidents are from the same occurrence, charge for only the highest point violation. The order of selection for determining the chargeable violation is:

(1) Major Violations, (2) Accident, (3) Alcohol/Drug/Narcotics, (4) Minor Violations, (5) Speeding.

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.

Out-of-state accidents and violations are chargeable. Motorcycle accidents and violations are chargeable.

AT-FAULT ACCIDENTS

At-fault accident means the driver of the automobile was:

1. Entirely or partially at-fault (whether in a single-car or multi-car accident)
2. Comparatively negligent
3. Has been convicted of any offense that occurred at the time of the accident
4. Total damages exceed \$1,000.

No points will be assigned for an accident if the insured demonstrates that the accident occurred under any of the following circumstances:

1. The insured's auto was lawfully parked.
2. Applicant, owner or other resident operator in an accident is (a) determined to be 50% to less negligent, or (b) reimbursed for 50% or more of his or her damages by, or on behalf of, persons involved in the accident.
3. The insured's auto was struck in the rear by another vehicle, and our insured driver was not convicted of a moving traffic violation in connection with the accident.
4. Our insured auto was damaged by result of contact with a "hit and run" driver, as long as the incident was reported to the proper authorities within 24 hours after the damage becomes known.
5. Accidents involving physical damage to an auto caused by flying gravel, objects, missiles or collision with animals or fowl.
6. The operator at the time of the accident was on duty as a paid or volunteer member of any law enforcement, fire or first-aid squad.

Acceptable proof of not-at-fault accidents include: a copy of the police report or court documents; a letter from the previous carrier; or other documentation which proves not-at-fault. We will also accept as acceptable proof the fact the owner or operator of the insured's vehicle was reimbursed (or received judgment against another) for more than 50% of the property damage.

SALVAGE TITLES

1. The following title types are acceptable for all coverages:
 - Salvage
 - Fire Damage
 - Flood Damage
 - Hail Damage,
 - Washed
 - Altered
 - Taxi
3. 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 RISKS:

DRIVERS

1. Anyone without a permanent residence address in the state in which the policy is issued.
2. Anyone who resides in the state in which the policy is issued less than nine (9) months a year, including migrant or transient workers.
3. Unlicensed drivers who have, or may operate vehicles on the policy. This includes individuals with cancelled or revoked licenses (who are not excluded). This does not apply to Foreign Driver's License (FDL).
4. Any Driver convicted of insurance fraud.
5. Anyone, licensed or unlicensed, under the minimum required age for licensing.
Note: Household members age 15 and older must be declared on the application.
6. Anyone that has a revoked or cancelled license, unless that operator is excluded from coverage.
7. Any driver with more than 12 Hallmark National surcharge points.
8. Physically or mentally impaired persons if the impairment affects their driving ability, 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.
9. Any driver who has been involved in three (3) or more at-fault accidents.
10. Named Insureds who refuse to disclose information requested on the application or who fail to respond to a request for information by Hallmark staff may be considered an Unacceptable, Ineligible or Prohibited Risk.
11. Any driver under the age of 21 with any alcohol or drug-related violation or other major violation.
12. Drivers 75 and over unless current doctors statement indicating ability to drive safely.
13. Any policy with three (3) or more losses claims regardless of fault within any 12 month period.

VEHICLES

1. Collision without Other Than Collision Coverage.
2. Other Than Collision and Collision on a stated value or stated amount basis.
3. Named non-owner policy with business use.
4. Vehicles garaged outside of Colorado, including vehicles used by students attending school outside of Colorado.
5. Grey Market vehicles or vehicles not originally manufactured to meet U.S. standards.
6. Customized, one of a kind altered or modified vehicles of any make or model including kit cars.
7. Antique, classic, custom built, limited edition, rare, restored or highly customized vehicles.
8. Police, Security, Emergency, or any other related public service type vehicles, regardless of the use.
9. Vehicles used for public or livery conveyance, including vehicles to transport church members, daycare/nursery school children, migrant workers or hotel guests and vehicles used as taxis or limousines, even on an occasional basis with or without compensation.
10. Any vehicle with less than four (4) wheels, motorcycles, snowmobiles, dune buggies, motor homes, buses, mini-buses, camper vans or golf carts.
11. Vehicles with more than four (4) wheels.
12. Any vehicle designed, equipped, prepared or used in any form of racing or show.
13. Any vehicle used for any type of delivery including, but not limited to: pizza, magazine, newspaper, mail delivery, or escort service, even on an occasional basis with or without compensation.
14. Any commercial vehicle, flat bed trucks, car carriers, dump trucks or wreckers.
15. Any vehicle rented to others.
16. Vehicles carrying explosives or flammable substances, even on an occasional basis.
17. Vans, pickups, utility vehicles and panel trucks with a GVW over 10,000 lbs.
18. Any vehicle owned or leased by a business, organization, or corporation, public or private.
19. Any vehicle equipped for snow plowing.
20. Risks with more than one artisan use vehicle in the household.
21. Any vehicle regularly used outside the state in which the policy is issued.
22. Vehicles that are regularly made available to non-listed drivers.
23. Vehicles available to multiple drivers for sales, farming, etc.
24. Farm Classes.

25. Vehicles with a Junk Title or Dismantled Title.
26. Vehicles with a value in excess of \$40,000 for Physical Damage coverage.

Note: Quotes are not firm as all required underwriting information may not be immediately available. All quotes should be viewed as premium estimates pending the completion of our underwriting review.

SURCHARGES:

BUSINESS OR ARTISAN USE

Business use is unacceptable on any vehicle with a GVW in excess of 10,000 lbs.

Acceptable business use risks include:

- Real estate and insurance agents, clergy, charitable volunteer activities, doctors or lawyers regularly visiting multiple locations on a daily basis.
- Regular trips to the bank, post office, etc. by the insured in the insured's car which are part of the insured's job and performed during normal business hours.
- Regular attendance at seminars, as a participant or attendee, held at various locations during normal business hours.
- Sales, service or repair representatives who use their own personal auto at work, provided they do not carry any explosives, flammable or otherwise hazardous material, or any equipment weighing more than 500 pounds.
- Delivery to end consumer limited to personal use and household consumer (i.e. direct home-sales products such as Avon, Mary Kay, Amway, Tupperware, Longaberger, etc.) Delivery of these or similar products by a distributor to retail salespeople is not acceptable.

All pickups, vans and utility vehicles used in business are unacceptable unless they meet our artisan risk guidelines or the usage does not require that style of vehicle. Examples of acceptable uses are:

- A self-employed retail salesperson using a utility vehicle they own to make deliveries of personal use and household consumer, direct home-sales products.
- A real estate or insurance agent using a pickup or utility vehicle in the course of business.
- An attorney or doctor using a van to regularly travel to various locations for business.

An artisan use vehicle is one used to carry tools or supplies between the insured's home and job sites.

Many artisan risks are acceptable if such use is indicated on the application and the business use surcharge is applied. For an artisan risk to qualify, it must meet the following guidelines:

- No more than an average of 3 job sites may be visited on a daily basis.
- Insured vehicles must be individually owned or leased. Vehicles owned by corporations are not acceptable. A company, corporation or other business entity may not be listed as an additional interest or additional insured.
- Insured vehicles must be no greater than 10,000 lbs. GVW.
- All insured vehicles may be operated only by the named insured, spouse or other resident family member.
- The insured may have only one artisan use vehicle in the household. Those risks with two or more, whether both are insured on our policy or not, are unacceptable.
- There is no pick-up or delivery of any goods or property whether or not such pick-up or delivery is on an incidental or occasional basis.
- Insured vehicles never carry any explosives, flammable or otherwise hazardous material or any equipment weighing more than 500 pounds.

Trades not eligible for coverage include: Pest Control, Roofing, Landscape, Lawn Care and Painting. Applications requesting business or artisan use must submit photos and an inspection form.

Note: Business/Artisan use is subject to a surcharge.

FOREIGN OR INTERNATIONAL DRIVERS LICENSE

Hallmark welcomes drivers licensed outside the U.S. A foreign driver's license surcharge will apply to any driver who is not a U.S. Citizen and has never been licensed to drive in any U.S. state or jurisdiction, but is able to provide acceptable documentation issued by a foreign government/consulate.

Acceptable proofs are international or foreign driver's license, passport, and Matricula or other consular ID. Acceptable proof must be maintained in the insured's file. The Unverifiable driving record surcharge does not apply to drivers with an international license if proof is maintained in the agency file.

Drivers who have been licensed in any U.S. state or jurisdiction, regardless of current license status, do not qualify in this category.

MULTIPLE ACCIDENT / MAJOR / ALCOHOL SURCHARGE

Any driver with three or more at-fault accidents, major violations or alcohol violations, in any combination, will be subject to a surcharge.

CUSTOM EQUIPMENT

Vehicles with custom equipment exceeding \$5,000 are unacceptable.

Premium is \$4 per \$100 in equipment value.

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.

SYMBOLS

Use ISO Liability and Physical Damage symbols for determining the correct symbol for the vehicle.