



HALLMARK

SPECIALTY PERSONAL LINES

Montana

- | New Business: 3/15/2015
- | Monthly Renewals: 4/15/2015
- | Term Renewals: 5/15/2015

Personal Auto Program

- | Hallmark 123
- | Hallmark 612
- | 1, 2, 3, 6, and 12 Month Terms
 - | 12 Month Terms available for renewals only



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 listed on the declarations page 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. If our P.O.S. system is off-line at the time you submit an application, please call our Underwriting department for an exception. All mailed 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

We offer 1, 2, 3, 6, and 12 month policy terms; the "monthly" terms are paid in full and renewed on a monthly basis.

PAYMENT OPTIONS

Term	Down pay	# of Installments	1 st pay due	Installments Due
6 mo.	16.67%	5	20 days	30 days
6 mo.	20.00%	5	25 days	30 days
6 mo.	22.00%	5	30 days	30 days
6 mo.	25.00%	5	30 days	30 days
6 mo.	33.00%	5	30 days	30 days
6 mo.	40.00%	5	30 days	30 days
12 mo.	8.33%	10	20 days	30 days
12 mo.	11.00%	10	30 days	30 days
12 mo.	13.00%	10	30 days	30 days
12 mo.	17.00%	10	30 days	30 days
12 mo.	20.00%	10	30 days	30 days
12 mo.	25.00%	10	30 days	30 days

INSTALLMENT FEE

All policies will be charged a \$5.00 traditional installment fee.

NSF/RETURN PAYMENT ITEMS FEE

\$25.00 on all returned payment items.

LATE FEE

A \$7.00 late fee will apply if payment is made after the due date.

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

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 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 agents 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. A new SR-22 (Financial Responsibility Filing) will need to be filed, if applicable.

SEVERE WEATHER “WATCH OR WARNING”

Whenever the National Weather Service issues a hurricane, tornado, hail or other severe weather watch or warning 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 **1-800-486-4255**. 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 MONTANA 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.

FINANCIAL RESPONSIBILITY PROCEDURES

Agent is responsible for issuing and filing the Financial Responsibility Certificate (SR-22 form). Send original and second copy to the State of Montana along with insured's money order (if required). Persons requiring a Financial Responsibility filing must be an immediate family member (spouse or children) of the household.

COVERAGES

Liability Bodily Injury: (BI).....

Liability Property Damage: (PD).....

Uninsured Motorist and Underinsured Motorist (UMBI / UIMBI)

Medical Payments: (MED).....

Collision: (Coll).....

Other Than Collision: (OTC).....

Rental Reimbursement (6/12 terms only).....

Towing and Labor (6/15 terms only).....

LIMITS

\$25,000 per person / \$50,000 per accident
\$50,000 per person / \$100,000 per accident

\$10,000 / \$15,000 / \$25,000 / \$50,000

\$25,000 per person / \$50,000 per accident
\$50,000 per person / \$100,000 per accident

\$500/\$1,000/\$2,000/\$5,000

(Must be written in combination with Liability and OTC)

(Must be written in combination with Liability and Collision)

\$ 20 per day, \$ 600 max. (Must be written with Coll & OTC)

\$50 per disablement (Must be written with Coll & OTC)

DEDUCTIBLES

Optional Combinations						
	1	2	3	4	5	6
OTC	\$100	\$250	\$250	\$500	\$500	\$1,000
Collision	\$250	\$250	\$500	\$500	\$1,000	\$1,000

NON-OWNER COVERAGE

The *Named Non-Owner Coverage* endorsement amends the policy so that it provides secondary Liability coverage 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.

TERRITORIES

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

DISCOUNTS:

MULTI CAR (Available with all terms)

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

ACCIDENT PREVENTION COURSE (Available with all policy terms)

An *Accident Prevention Course* discount will apply to all *Montana National Guard* personnel and to drivers 55 years and older who have successfully completed a motor vehicle Accident Prevention Course that is approved by the *Montana 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.

TRANSFER/PRIOR COVERAGE DISCOUNT (Available with 6 and 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. All operators must be free of “At Fault” losses and major violations during the past twelve (12) months.

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 for policies entered through the POS system or accompany the application for discount to apply.

Acceptable proof includes a policy declarations page, experience letter or ID card issued from previous carrier. **NOTE:** If the applicant qualifies for this discount and was not required to carry Liability insurance immediately preceding this policy, please contact the Company's Policy Service department for verification and application of this discount.

HOMEOWNER (Available with 6 and 12 month terms)

A *Homeowner* discount may be applied if the named insured or spouse owns the home at the address shown on the application. Verifiable proof of ownership must be maintained in the insured's file for policies entered through the POS system or accompany the application for the discount to apply.

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 of the policy.

EFT DISCOUNT (Available with 6 and 12 month terms only)

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

RENEWAL DISCOUNT (Available with 6 and 12 month terms only)

A Renewal discount will be applied to the first renewal policy.

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

To meet the definition of “married”, a driver must be living with their spouse or otherwise meeting the statutory definition of married. 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.

SPECIAL RULES

1. Active military and their spouses may furnish an out-of-state drivers license and their military ID.
2. Collision and Other Than Collision must be written together and may not be written without Liability coverage.

EXCLUSION OF NAMED DRIVER

All members of the household and/or any frequent drivers, at or attaining 15 years of age during the policy term must be listed on the application as a driver and be properly licensed; otherwise, they must be excluded by driver exclusion endorsement. The excluded driver's full name, date of birth and relationship must be listed on the exclusion. The named insured may not be excluded unless prior approval is received from underwriting. If member in household attains 15 years of age during policy period, they must be added or excluded at time of renewal. Per MCA 61-6-301-303, only family members may be excluded from a Private Passenger Auto policy.

UNACCEPTABLE / INELIGIBLE OR PROHIBITED RISKS

1. Named Insureds who are under the minimum age for state licensing.
2. Any driver that has been convicted of insurance fraud.
3. Named insureds under the age of 18 unless parent or guardians signature accompanies the insured's signature on all areas of the application.
4. Any driver with more than 12 points in the previous 36 months.
5. Any driver with 3 or more claims regardless of fault within any 12 month time period.
6. Any driver with more than 1 DWI/DUI in the past 3 years.
7. Any driver with an “At Fault” Accident and DWI/DUI in a 12 month period if separate occasions.
8. Any policy with three or more accidents regardless of fault in the past (12) months. All drivers combined.
9. Any driver with vehicular manslaughter, criminal negligence, or negligent homicide.
10. 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.
11. Drivers over the age of 75 unless current doctors statement indicating ability to drive safely.
12. Moving out of Montana during the policy period.
13. 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.

UNACCEPTABLE/ 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.

CHARGEABLE PERIOD AND PROCEDURES

Violation points are assigned to operators for chargeable accidents and violation convictions. 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.

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

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, which do not result in a point charge. Accidents involving hitting another vehicle or object as a result of swerving to avoid an animal are at-fault.

VIOLATION CLASSIFICATIONS

Violation	1st Occ.	2nd Occ.	Each Additional
Minor Violation *	1	2	4
Intermediate Violation *	2	3	5
Major Violation *	5	5	5
At-Fault Accident	3	5	5
DWI / DUI	2	5	5
Driving with a Susp. License	5	5	5
Unacceptable Risk	13	N/A	N/A
Unverifiable MVR	3	N/A	N/A
Foreign DL (lic. in US <1 year)	3	N/A	N/A
Out of State DL	N/A	N/A	N/A
Undocumented Driver	5	N/A	N/A
Drug Violation	5	5	5

MAJOR VIOLATIONS

Driving while License Suspended
Failure to stop and render aid
Felony involving vehicle
Vehicle Prowling
Hit and Run
Leaving Scene of an Accident
Reckless Driving
Negligent Driving
Fleeing or attempting to elude a police officer
Speed contest (organized or unorganized)
Any Drug Violation

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
Traveling at an unsafe speed
Wrong side of roadway
Wrong way on one-way
Speeding >20 m.p.h.

MINOR VIOLATIONS

Speeding and all other moving violations not listed under *Intermediate Violations* or *Major Violations*.

UNACCEPTABLE/PROHIBITED VEHICLES

1. Vehicles garaged outside of Montana.
2. Police, emergency or other related public service vehicles.
3. Vehicles not owned by the named insured.
4. Pickup trucks, vans or utility vehicles with a load capacity greater than 1 ton.
5. Homemade or custom built vehicles, Dune buggies, off road vehicles, all-terrain vehicles, motorcycles, camper vans, motor homes.
6. Trucks with a flat or stake bed, dump trucks or wreckers.
7. Vehicles with altered suspensions; including lift kits or low riders.
8. Vehicles used or equipped for use in speed contests or racing, or other “Hot Rod” vehicles.
9. Vehicles used for deliveries, including, but not limited to: pizza delivery, courier services, paper delivery.
10. Vehicles owned or leased by a corporation, partnership or other business.
11. Vehicles used for livery or public conveyance such as: Taxis, Limousines or Day Care Vans.
12. Vehicles leased or rented to other operators by the applicant.
13. Rare, Classic or Vintage type vehicles.
14. Grey Market vehicles, or vehicles not originally manufactured to meet U.S. standards.
15. Vehicles that are regularly made available to non-listed drivers.
16. Vehicles available to multiple drivers for sales, farming, etc.
17. Vehicles greater than 20 years old for physical damage (applies to new business only).
18. Convertible type or convertibles, T-Top or removable top vehicles are not eligible for physical damage.
19. Vehicles with a value in excess of \$40,000 for Physical Damage coverage.
20. Customized vehicles in which the value of the customization exceeds 50% of the current value of the vehicle without customization.
21. Vehicles with dual wheels.
22. Commercial vehicles or “farm” class vehicles.
23. Vehicles with a salvage 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

A vehicle inspection and 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.