



# HALLMARK

SPECIALTY PERSONAL LINES

## Washington

## Personal Auto Program

| New Business: 12/31/14  
| Semi-Annual Renewals: 12/31/14

| Hallmark 612  
| 6 & 12 Month Terms



## 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

Semi-Annual and Annual Term Programs are available.

## PAYMENT OPTIONS

Term	Down	Installments	1st Pay Day	Billing
6	16.67%	5	20	Every 30 Days
6	20.00%	5	25	Every 30 Days
6	22.00%	5	30	Every 30 Days
6	25.00%	5	30	Every 30 Days
6	33.00%	5	30	Every 30 Days
6	40.00%	5	30	Every 30 Days
12	8.33%	10	20	Every 30 Days
12	11.00%	10	30	Every 30 Days
12	13.00%	10	30	Every 30 Days
12	17.00%	10	30	Every 30 Days
12	20.00%	10	30	Every 30 Days
12	25.00%	10	30	Every 30 Days

## INSTALLMENT FEE

All 6 and 12 month policies will be charged a \$7.00 installment fee.

## **NSF/RETURN PAYMENT ITEMS FEE**

\$25.00 on all returned payment items.

## **SR-22 FEE**

A \$20.00 SR-22 fee will apply to all new business that requires an SR-22 filing.

## **LATE FEE**

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

## **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 UIM or PIP 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**

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.

## **SEVERE WEATHER "WATCH OR WARNING"**

All binding authority is suspended in areas where the National Weather Service has issued a hurricane, flood, tropical storm, or tornado "watch" or "warning". No new policy or coverage may be bound and no endorsement of existing policies that increases the company's exposure may be requested. Normal operating procedures will resume 24 hours after the "watch" or "warning" has expired.

## **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 WASHINGTON 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 Washington, 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.....	
Liability Property Damage.....	
Underinsured Motorist Bodily Injury.....	
Underinsured Motorist Property Damage..... (UIMPD limit cannot exceed PD; includes a \$250 deductible)	
Personal Injury Protection..... (Cannot have PIP and MP coverage on the same policy)	
Medical Pay..... (Cannot have PIP and MP coverage on the same policy)	
Rental Reimbursement..... (Must have OTC/Collision to qualify for this coverage)	
Towing and Labor..... (Must have OTC/Collision to qualify for this coverage)	
Collision..... (Must be written in combination with Other Than Collision - OTC)	
Other than Collision (OTC)..... (Must be written in combination with Collision)	
Loan Balance Coverage..... (Must be written in combination with Collision & OTC)	

## LIMITS

\$25,000 / \$50,000 \$50,000 / \$100,000
\$10,000 / \$15,000 / \$25,000 / \$50,000
\$25,000 / \$50,000 \$50,000 / \$100,000
\$10,000 / \$15,000 / \$25,000 / \$50,000
\$10,000 / \$35,000
\$500 \$1,000 \$2,000
\$20 per Day, \$600 Maximum
\$50 per Disablement
See Deductibles
See Deductibles
In conjunction with Collision and OTC deductibles

## DEDUCTIBLES

	Optional					
	1	2	3	4	5	6
OTC	\$100	\$250	\$250	\$500	\$500	\$1,00
Collision	\$250	\$250	\$500	\$500	\$1,00	\$1,00

## BROAD FORM NAMED OPERATOR

The Broad Form Named Operator endorsement amends the policy so that it provides secondary Liability coverage for the named driver listed in the policy declarations page, while operating an owned or non-owned private passenger automobile - motorcycles, mopeds, ATV's, motor homes, or any other recreational vehicles are not covered under this endorsement. If the Named Insured purchases a vehicle requiring Physical Damage, please contact Phoenix Indemnity to remove the Broad Form endorsement and add Physical Damage coverage to the policy. Financial Responsibility (SR-22) filings are available at no additional charge.

COVERAGE UNDER THIS ENDORSEMENT DOES NOT APPLY TO (1) PHYSICAL DAMAGE, OR TO (2) PERMISSIVE DRIVERS OPERATING THE NAMED INSURED'S "OWNED VEHICLES".

## 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.

## **LOAN BALANCE COVERAGE**

The Loan Balance Coverage endorsement extends the Physical Damage (Collision and Other Than Collision) coverage on a new vehicle so that it covers the difference between its Actual Cash Value (ACV) and the outstanding loan amount, less any applicable deductibles. The loan must be written with a licensed financial institution and incurred in conjunction with the financing of a "new" (previously untitled) private passenger auto. The Loan Balance Coverage will not cover any interest or penalty charges imposed by the financial institution.

## **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:**

### **MULTI CAR**

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

### **ACCIDENT PREVENTION COURSE**

An Accident Prevention Course 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 Washington 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**

A prior coverage discount will be applied if the insured has a policy that has been continuously enforce 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.

### **HOMEOWNER**

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**

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

## **EFT DISCOUNT**

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

## **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.

## **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 qualified as a driver or excluded at time of renewal.

## **UNACCEPTABLE / INELIGIBLE OR PROHIBITED RISKS**

1. Named Insureds who have never been licensed.
2. Operators under the minimum age for state licensing
3. Operators without a garaging address
4. Any Driver that convicted of insurance fraud.
5. Named insureds under the age of 18 unless parent or guardians signature accompanies the insured's signature on all areas of the application.
6. Any driver with more than 12 points.
7. Any driver with 3 or more claims within any 12 month time period. In determining eligibility under this rule, we do not count comprehensive claims, uninsured motorist claims or other Not at Fault incidents.
8. Any driver with more than 1 DWI/DUI in the past 3 years.
9. Any driver under age 25 with any alcohol or drug related violation.
10. Any driver with an “At Fault” Accident and DWI/DUI in a 12 month period if separate occasions.
11. Any policy with three or more accidents regardless of fault in the past (12) months. All drivers combined.
12. Any driver with vehicular manslaughter, criminal negligence, or negligent homicide.
13. 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.
14. Drivers over the age of 75 unless current doctors statement indicating ability to drive safely.
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.

## 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.

## 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 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 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.

## VIOLATION CLASSIFICATIONS

Violation	1st Occ.	2nd Occ.	Each Additional
Minor	1	2	4
Intermediate Violation	2	3	5
Major	5	5	5
At-Fault	3	5	5
DWI/DUI	2	5	5
Foreign Driver's License	2	N/A	N/A

### MAJOR VIOLATIONS

Driving while License Suspended  
Unlicensed or Excluded driver operating vehicle  
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)

### INTERMEDIATE VIOLATIONS

Altered driver license  
Driving without valid license  
driving on sidewalk  
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.  
Education Program Required

### MINOR VIOLATIONS

Speeding and all other moving violations (except Seat Belt or Helmet) not listed under Intermediate Violations or Major Violations.



## UNACCEPTABLE/PROHIBITED VEHICLES

1. Vehicles garaged outside of Washington, including vehicles used by students attending school outside of Washington.
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, and 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 30 years old for physical damage.
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.
23. Farm Classes.
24. A vehicle with a salvaged 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 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.