



MGA Insurance Company, Inc.

**GEORGIA  
Personal Auto Program  
Rule Guide**

**Effective:  
December 2, 2013**

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## **Company Contact Information**

### **Customer Service**

Phone 1-866-GAINSCO  
Automated Policy Services 1-866-GAINSCO  
Fax 1-800-532-3522

### **Claims/First Notice of Loss**

Phone 1-866-GAINSCO  
Fax 1-800-532-3522

### **Marketing/Agent Support**

Phone 1-866-GAINSCO  
Fax 1-800-532-3522

### **Website**

[www.gainscoconnect.com](http://www.gainscoconnect.com)

### **Help Desk/Technical Support**

1-800-321-7314

### **Mailing Address**

**GAINSCO Auto Insurance  
PO Box 199023  
Dallas, TX 75219**

# Agent Information

This manual is designed to provide our Agents with the necessary qualification and rating requirements for GAINSCO applicants. All submissions may be reviewed and underwritten based on their individual characteristics. This manual has been designed to provide information for the majority of eligibility and classification decisions encountered. For situations not addressed within these pages, or **IF IN DOUBT, PLEASE CALL CUSTOMER SERVICE BEFORE BINDING.**

## BINDING AUTHORITY – NEW BUSINESS

Agents have immediate binding authority in accordance with all the rules and procedures set forth in this manual. Agent must be a duly authorized Agent of MGA Insurance Company, Inc. (“Company”).

Coverage will be bound at the exact date and time the application is completed, signed and dated by both the applicant and Agent if the following conditions are met:

- All applications must be uploaded to the Company using the [www.GAINSCOconnect.com](http://www.GAINSCOconnect.com) website.
- The application is completed in its entirety and all required documentation is obtained from the applicant, including but not limited to: a signed and completed application, documentation for any discounts, and vehicle inspection form(s) if applicable.
- The risk is not defined as being unacceptable in this manual.
- The appropriate down payment or full premium and any applicable fees are collected from the applicant and submitted to the Company.

Coverage is not bound and may be voided if the applicant’s down payment check is returned by the bank for insufficient funds. Please notify the Company immediately upon receipt of notice of NSF from the applicant’s bank.

If an application is submitted with an incorrect driver class, surcharge, discount, etc. or without the required proof for a specific discount, the policy will be issued at the appropriate rate level according to the rules set forth in the program manual.

## BINDING AUTHORITY – ENDORSEMENTS

Endorsements can be processed online at [www.gainscoconnect.com](http://www.gainscoconnect.com). Endorsements processed online will detail any additional premium and any amount to collect. Once the endorsement is submitted online, a confirmation page will generate and it must be printed, signed by the insured, and maintained in the agency’s file, per the documentation requirements under the Agent Duties section of this Rule Guide. If an endorsement results in a return premium, the insured’s account will be credited and remaining payments will be lowered.

Agents have 72 hours binding authority (3 calendar days) from the time that the insured notifies the producer. After this, the endorsement becomes effective the date and time of the phone call or fax, or day after postmark. **DO NOT BACK DATE COVERAGE.**

## SEVERE WEATHER PROCEDURES

All submissions for new business and endorsements on existing policies that have an effect of increasing the company's exposure, are suspended from the time the National Weather Service issues a hurricane "watch" or "warning" within 100 miles of the "watch" or "warning" area, and/or a severe weather "watch" or warning" in your local area. Normal submission activity will be reinstated 24 hours after the "watch" and/or "warning" is lifted by the National Weather Service.

In any areas directly affected by a category 3 or higher storm, binding restrictions will not be lifted until notification is received from GAINSCO. In the case of phone loss operations, all applications must be faxed to GAINSCO.

## AGENT DUTIES

All applications must be uploaded to the Company using the [www.GAINSCOconnect.com](http://www.GAINSCOconnect.com) website. If you are unable to upload an application through [GAINSCOconnect.com](http://GAINSCOconnect.com) please contact Customer Service or the Help Desk for assistance.

If the premium quoted to any applicant changes as a result of a consumer report, we will generate a letter pursuant to the provisions of the Fair Credit Reporting Act (FCRA). A copy of the FCRA letter must be printed and provided to the applicant.

The following documentation (if applicable to the policy) must be kept in your Agency's file for 5 years after the completion of the transaction and be available for Company review as requested:

- Completed and signed Georgia Automobile Insurance Application
- Copy of the named insured's drivers license
- Vehicle Inspection Form
- Proof of Prior Insurance
- Proof of Homeownership
- Description of Business Use
- Description of Artisan use
- Signed Driver Verification form
- Any document proving accidents were not-at-fault
- Certificate of accident prevention course (for defensive driver discount)
- Good Student grade report
- Any endorsement form
- Any vehicles with existing damage or uncompleted body repairs must have two photos taken of the damaged area, if physical damage coverage is requested.
- Any other documentation requirements provided by us, or as required by Georgia laws or regulations.

Agents may scan documentation and retain electronic copies to satisfy the documentation requirements. Agents must notify the Company before destroying documentation, and allow the Company the opportunity to obtain copies before destruction. The Company reserves the right at any time to inspect all applicant files and/or require Agent to submit copies of documentation to us for audit/review purposes.

Agents are required to complete a Vehicle Inspection Form for each vehicle with Comprehensive and Collision coverages and must keep this form in your agency's file per guidelines listed above. If the vehicle being insured is a new purchase from a dealership, the Agent must obtain a copy of

the purchase receipt and Vehicle Inspection Form within 7 days of purchase and keep in your agency's file per guidelines listed above.

In the event of a claim being filed regarding an application uploaded by an Agency, the Agent is required to comply with all requests for documentation. Agents must also comply with requests for recorded statements or other assistance required for evaluating and processing the claim.

Failure to fulfill any or all of the Agents Duties may result in changes to the Agent's status with the Company, including suspension or termination.

## COMMISSION SCHEDULES

Refer to the Agency Agreement for the exact commission schedule. The Company reserves the right to alter commission schedules with due notice to agency.

## CLAIMS

All claims should be reported as promptly as possible. Accidents involving injuries or that render the insured vehicle not drivable should be reported to MGA Insurance Company, Inc. by telephone as soon as possible.

# Product Information

## COVERAGES & LIMITS

Bodily Injury Liability	\$25,000/person	\$50,000/accident
Property Damage Liability	\$25,000/accident	
Uninsured Motorist Bodily Injury*	\$25,000/person	\$50,000/accident
Uninsured Motorist PD*	\$25,000/accident with deductible options of \$250, \$500, or \$1000	
Medical Payments	\$500, \$1,000, or \$2,000/person	
Comprehensive & Collision	Deductible options of \$250/\$250, \$500/\$500, \$750/\$750, or \$1000/\$1000 are available. Comprehensive and Collision must be written together.	
Towing & Labor	\$50, \$75 or \$100 /disablement.	
Rental Reimbursement	\$20/day \$600 maximum total benefit; or \$30/day \$900 maximum total benefit; or \$40/day \$1200 maximum total benefit. Only available on vehicles with physical damage coverage.	
Custom or Additional Equipment	Up to \$5,000 with \$50 deductible. Only available on vehicles with physical damage coverage.	

\*Uninsured Motorist Coverage equal to \$25/50/25 must be offered in Georgia, and must be included on the policy unless rejected in writing by the applicant. An MGA Insurance Company, Inc. UM election or rejection is incorporated into the application. This form allows the insured to accept or reject Uninsured Motorist coverage, in both available coverage options (Added On to At-Fault Limits and Reduced by At-Fault Limits). This form must be completed in its entirety.

Comprehensive coverage will not be written without collision; and likewise, collision will not be written without comprehensive. Deductible amounts on comprehensive and collision coverage must be the same.

## OPTIONAL COVERAGE ENDORSEMENTS

### **NEWLY ACQUIRED AUTOMOBILE COVERAGE ENDORSEMENT**

This endorsement will expand the definition of the insured auto, allowing for an automatic 30-day extension of coverage to a replacement or additional vehicle acquired by the named insured during the policy period. In addition, when the insured auto is temporarily out of service, coverage will be extended to the substitute auto.

### **EXCLUSION OF COVERAGE FOR PUNITIVE OR EXEMPLARY DAMAGES**

The basic policy provides coverage for Punitive or Exemplary Damages. By accepting this endorsement and the discount it provides, you agree that there will be no coverage provided under this policy for Punitive or Exemplary damages. This exclusion of coverage also applies for Punitive or Exemplary damages for which an insured person becomes legally liable because of an auto accident for which coverage is provided under this policy.

### **CUSTOM OR ADDITIONAL EQUIPMENT**

Only standard or optional equipment that is available from the manufacturer for the make, model, and model year of the vehicle is insured under the basic policy. Equipment not originally available from the manufacturer although installed by the dealer or on the vehicle when purchased, is NOT insured. Coverage may be purchased for an additional premium by adding the Custom or Additional Equipment endorsement and specifically scheduling the equipment and associated value.

Custom furnishings or equipment in or upon any pick-up, panel truck or van is NOT insured. This includes but is not limited to: special carpeting or paneling, furniture, custom paint treatments, height extending roofs, snowplows, any camper attachment or body, pick-up caps or special wheels.

A maximum of \$5,000 of add on equipment value is acceptable. A \$50 deductible applies.



## UNACCEPTABLE RISKS

The Company reserves the right to make final underwriting decisions on all applications. The following is a general list of risks not written; however, a combination of factors may cause some applications to be unacceptable even if not specifically mentioned in the following information. An Unacceptable Risk surcharge will apply to the policy if after inception an endorsement is processed that makes the risk unacceptable, and the policy will be non-renewed at the end of the current policy term.

## VEHICLES

Motor vehicles including private passenger, station wagon, utility, or pickup which do not exceed one ton load capacity are eligible for this program.

The following vehicles are considered unacceptable. See Appendix A for additional details.

### VEHICLE TYPES

- Vehicles garaged in Georgia less than 10 months per year.
- More than one policy of insurance in a household unless liability limits and UM limits are equal.
- Vehicles used for messenger service, livery service, delivery service, wholesale or retail delivery, hauling merchandise for others, newspaper or retail food delivery, including but not limited to pizza delivery.
- Conversion vans/pickups for physical damage. Conversion vehicles may be issued for liability only, unless the vehicles have plumbing, cooking or refrigerator packages.
- Dune buggies, Baja bugs and/or any other type of ATV or off-road vehicle or any vehicle not licensed for road use
- Motorcycles
- Hearses and limousines
- Gray market, rare, antique, classic, vintage, custom, electric, kit, low production, limited edition, race replica, or show vehicles
- Motor Homes, RVs, Campers, Travel Trailers, or any vehicles with plumbing, cooking, or refrigerator packages
- Vehicles built/designed for, or used in, speed contests
- Flatbed vehicles
- Trucks having more than 1 ton load capacity
- Vans having more than 3/4 ton load capacity
- Open air vehicles, including those with detachable roofs (except convertibles) not otherwise listed
- Saleen Models
- More than six vehicles insured under one policy

### VALUE, AGE AND CONDITION

- For Physical Damage, any vehicle with a base price greater than \$80,000
- Vehicles over 20 years old are not acceptable for Physical Damage coverages
- Any vehicle which has been substantially modified in appearance or performance, or mechanically altered; i.e. high suspension or lift kits
- Any pickup, van or utility vehicle that does not have bumpers

- Vehicles with pre-existing damage (other than minor or cosmetic), where physical damage coverage is being requested
- Salvaged, restored or reconstructed vehicles. Restored salvage may be issued for liability only.
- Vehicles not inspected by the Agent where physical damage coverage has been requested

#### **OWNERSHIP AND USAGE**

- Vehicles titled in a name other than the named insured and/or spouse unless the holder of the title is listed or excluded as a driver on the policy; vehicles titled to a legal entity or DBA.
- Any vehicle not garaged in the zip code for which the policy is written, unless the vehicle is away at school in the state of Georgia.

#### **DRIVERS**

- List all persons 14 years or older, licensed or not, residing with applicant(s), whether or not they drive/operate the listed vehicle(s).
- List all operators of the listed vehicle(s).
- List students living away from home, persons in the Armed Services, and any children or dependents of the applicant or applicant's spouse between the age of 14 and 21 who do not reside with insured.
- If the person has never been licensed, or if the license has been permanently surrendered and they do not drive, they may be listed as an Unlicensed Resident; otherwise, they must be listed as a Driver.
- If the person has held a Georgia license, that license must be entered as the driver's license information.
- If the insured is legally Married or legally Separated, such legal status must be listed as their Marital Status, and their spouse must be listed.
- The Company must be notified within 30 days of the date any person enters into one of the above categories during the policy term.

Failure to list all such persons with complete information may constitute a material misrepresentation, which may result in all insurance coverages being void. Should drivers be discovered that have not been disclosed on the policy, we may add them as drivers on the policy and adjust the rate accordingly, including any surcharges or discounts for which they qualify.

#### **UNACCEPTABLE DRIVERS**

The following drivers are considered unacceptable:

- Any operator who is not a resident of the state of Georgia, and/or does not live in Georgia for 10 months per year.
- Any operator under the age of 14.
- Any named insured under the age of 18.
- Any operator with a revoked or cancelled license, unless the driver requires an SR-22 filing.
- Risks with a mailing address outside of Georgia.
- Operators with any of the following medical conditions without a medical statement acknowledging ability to operate motor vehicles: epilepsy, stroke, heart disease, diabetes, vision problems, cerebral palsy, and loss of limb(s). Drivers with loss of limb(s) must submit proof of acceptable vehicle alterations which allow the vehicle to be operated safely.
- All entertainers, athletes, and celebrities, or any professional individual who is nationally or locally well known to a large segment of the population relative to where the individual resides. This does not apply to public officials.

- Operators with more than three minor violations in the 36 months immediately preceding the effective date of the policy.
- Operators with more than two at fault accidents in the 36 months immediately preceding the effective date of the policy.
- Operators with more than one alcohol or drug related charge in the 36 months immediately preceding the effective date of the policy.
- Operators with more than one major violation in the 36 months immediately preceding the effective date of the policy.
- Operators with more than two intermediate violations in the 36 months immediately preceding the effective date of the policy.
- Total number of minor violations for all operators listed on a policy cannot exceed six in the 36 months immediately preceding the effective date of the policy.
- Total number of at fault accidents for all operators listed on a policy cannot exceed two in the 36 months immediately preceding the effective date of the policy.
- Total number of major violations for all operators listed on a policy cannot exceed two in the 36 months immediately preceding the effective date of the policy.
- Total number of intermediate violations for all operators listed on the policy cannot exceed three in the 36 months immediately preceding the effective date of the policy.
- Students residing and/or attending school in a state other than Georgia.

#### LICENSE STATE MATRIX

License Status	Classification (Corresponds to options on Rater)
Georgia	Georgia
Other U.S. State	Applicable State
Mexico Drivers License	Mexico
Mexico ID (Matricula)	Mexico
International	Non – USA
Licensed in another Country	Non – USA
Never Licensed	Unacceptable
License Expired	Unverifiable
Occupational	Unverifiable
Suspended (with SR-22)	Applicable State with addition of violation
Suspended (with no SR-22)	Applicable State
Revoked (with SR-22)	Applicable State with addition of violation
Revoked (with no SR-22)	Unacceptable
All other not listed above	Unacceptable

#### EXCLUDED DRIVERS

All individuals described under the DRIVERS section above must be listed on the application. Drivers may be excluded. None of the coverage afforded by the policy will apply to any damage, losses or claims of any excluded person(s) or organization(s) caused while any motor vehicle insured by the policy is being used or operated by the excluded driver(s).

#### SURCHARGES

Driver points are based on all occurrences and/or violations that have occurred in the thirty-six months immediately preceding the policy or the renewal date.

Any accidents listed on a motor vehicle report, application, or other underwriting report will be considered at fault when there is information in the insurer's file from which the insurer in good faith determines that the accident was caused by the named insured or a resident of the same household, regardless of the amount of payout, including no payout.

If an at-fault accident occurs in conjunction, or the same day, with any other violation then both incidents will be surcharged.

#### **POLICY ACTIVITY**

The following surcharges will apply to a renewal or replacement policy based on activity during the prior policy's term(s). If the activity is solely to correct an error, no surcharge will apply.

- **Prior Endorsement Activity:** A surcharge will apply based on the number of times any of the following are added, changed or deleted for the policy within 12 months prior to the renewal or replacement policy: Coverages, Deductibles, Vehicles, Drivers, Address, Garaging Location.
- **Prior Vehicle Cancellation:** A surcharge will apply based on the number of times a vehicle was re-added to the policy after having been deleted within 36 months prior to the renewal or replacement policy
- **Prior Cancellation for Non-Payment of Premium:** A surcharge will apply based on the number of times the policy has been cancelled and reinstated for non-payment of premium within 36 months prior to the renewal or replacement policy.

#### **ADDITIONAL SURCHARGES**

- A surcharge will apply to any driver with a license status of Expired, Suspended, Cancelled, Revoked, or if the license is unverifiable.
- A surcharge will apply to any driver for whom there is no Motor Vehicle Record available.
- Any driver with less than 36 months driving experience will receive a surcharge. This surcharge will not apply to the extent the driver may not have legally obtained 36 months driving experience.
- Any driver added to the policy that is defined as being unacceptable in the underwriting rules/guidelines will be surcharged in addition to any other surcharges that may apply.
- If the garaging address or primary area of operation of any listed vehicle on the policy is moved outside of Georgia (after the 60th day following the effective date of coverage) or if the insured moves their residence outside of Georgia a surcharge will apply if the policy is not cancelled.
- Any vehicle or coverage added that is defined as being unacceptable in the underwriting rules/guidelines will be surcharged in addition to any other surcharges that may apply.
- Business use should be assigned to any listed vehicle that is used in the occupation, profession or business of the insured; a business use surcharge will apply.
- Artisan contractors are acceptable, but an artisan use surcharge applies. Two photos of the vehicle are required and must be retained in the agency's office.
- An unacceptable surcharge will apply to the policy if after inception an endorsement is processed that makes the risk unacceptable
- A surcharge will apply to vehicles with a title indicating a Severe Problem, which includes, but is not limited to the following issues as indicated on the title: Salvage, Junk/Total Loss, Rebuilt, Fire, Flood, Hail, Lemon/Manufacturer Buyback.

Note: Within the first 60 days following the effective date of coverage, the addition of any driver, vehicle, or coverage, or a change that otherwise results in a risk that is unacceptable under our underwriting guidelines, may result in cancellation of the policy in lieu of the application of an

additional Unacceptable Surcharge. Such cancellation may not be effective before the 31st day of coverage.

## NONOWNERS

Non-owner policies are available to provide liability coverage for the Named Insured only. Coverage is offered only while the Named Insured is using a vehicle with permission, that is not available for the Named Insured's regular or frequent use, and is not owned by the Named Insured or a relative or resident of the Named Insured's household. A Non-owner rating factor will apply.

## ARTISAN USE

Artisan use is eligible for coverage. An artisan vehicle is a pickup, van or utility vehicle used by a named insured on a private passenger policy to carry tools and supplies between the insured's home and job site if the following rules are met:

- Vehicle must be titled in the name of an individual.
- Vehicle may only be driven within a radius of 100 miles from the named insured's home.
- Vehicle has load capacity of 1 ton or less
- Vehicle is used to visit no more than ten job sites per day
- We must insure all vehicles in the household. Only one vehicle in the household can have artisan use.
- There are no other operators other than the named insured and listed resident family members
- Vehicle is not used to carry passengers.
- If vehicle is used to pull a trailer, submit photos of vehicle with trailer attached for underwriting approval to bind.
- Vehicle may have logos but logos will not be repaired or replaced in event of a loss.

## BUSINESS USE

Business use implies the vehicle is required by or involved in the duties of the applicant or any other person operating the automobile, in his occupation, profession or business, other than in going to or from his principal place of occupation or business such as real estate agent or clergy.

Business use coverage is only available on "private passenger" type vehicles, pickups with up to 1 ton load capacity, and private passenger vans with up to  $\frac{3}{4}$  ton load capacity. An insured vehicle assigned a business class use cannot be registered or titled to a business, corporation, partnership or DBA. Two photos of the vehicle are required and must be retained in the agency's office.

The following business uses are not acceptable under this program: messenger service, livery service (including but not limited to carpool service for a fee), delivery service, wholesale or retail delivery, hauling merchandise for others, newspaper or retail food delivery (including but not limited to pizza delivery). Business use outside the state of Georgia is also unacceptable.

## DISCOUNTS

### DISCOUNTS REQUIRING DOCUMENTATION

A discount is offered for Prior Coverage, Agency Internal Transfer, Homeowner, and Defensive Driver. If the proof of eligibility for a discount is received after the policy is issued, the discount will be applied on a pro-rata basis.

- Prior Coverage Discount - a prior coverage discount will apply to the policy when the named insured can provide proof of prior insurance coverage from a Company other than GAINSCO for the six months immediately preceding the effective date of the policy and has not had a lapse in coverage of more than 30 days. Proof of the prior insurance coverage is required with the application and the binding of coverage. Acceptable proof of prior insurance includes a letter of experience on prior carrier letterhead, Company issued Declaration page, applicable renewal offer or ID card with an expiration date within 30 days of the effective date of the GAINSCO policy. If the prior policy was a Mid-term Cancellation, a cancellation notice with a cancellation date within 30 days of the effective date of the GAINSCO policy must also be provided.
- Agency Internal Transfer Discount - a prior coverage discount will apply to the policy when the named 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 GAINSCO. Proof of the prior insurance coverage and proof that the prior coverage was written by the agency are required with the application and the binding of coverage. The prior policy must have expired on the policy expiration date; midterm cancellations are not acceptable for this discount.
  - Acceptable proof includes those forms of proof available for the prior coverage discount when the agency's name is shown on the document, and will need to be supplemented with additional documentation when the agency's name is not shown. Prior GAINSCO policies do not qualify for the Agency Internal Transfer Discount.
- Homeowner Discount - a discount will apply to the policy when the named insured submits acceptable proof of homeownership, unless a Prior Coverage Discount applies. The individual identified as the named insured on the auto application must also appear as the owner on the homeowner's proof. The homeowner discount is not available to a minor whose parent(s) are not listed on the policy. Acceptable forms of proof include a homeowner's insurance policy declaration page, mortgage statement, property tax records or property deed. Mobile homeowners are eligible for the homeowner discount.
- Defensive Driver Discount – A 10% discount will be applied to a policy(liability, med pay, and collision) where all the drivers who are 25 years and older meet the following criteria:
  - Have committed no traffic offences for the prior three years of since
  - Have no claims based on fault against an insurer for the past three years; and
  - Have completed one of the following types of driving courses in the prior three years:
    - A course in defensive driving of not less than six hours from a driver improvement clinic, commercial or non-commercial driving schools approved by the and under the jurisdiction of the Georgia Department of Public Safety (GDPS).
    - An emergency vehicle operations course at the GDPS Training Center.
    - A course in defensive driving of not less than six hours from a driver improvement program which is administered by a non-profit organization such as AARP or AAA and which meets the standards established by the GDPS.
    - A course in defensive driving of not less than six hours offered by an employer to its employees and their immediate families, which has been approved by the GDPS

And where all named drivers under the age of 25 meet the following requirements:

- Have committed no traffic offences for the prior three years or since the date of licensure whichever is shorter
- Have no claims based on fault against an insurer for the prior three years; and

- Have completed a preparatory course offered to new drivers of not less than 30 hours of classroom training and not less than six hours of practical training by a driver's training school approved and under the jurisdiction of the GDPS or by an accredited secondary school, or college.
- Good Student Discount – A 5% discount will be applied to liability, med pay and collision coverages for each named driver under 25 years of age provided they meet all of the following criteria:
  - Have committed no traffic offences for the prior three years or since the date of licensure whichever is shorter and have no claims based on fault against an insurer for the prior three years.
  - Is unmarried and is enrolled as a full time student in high school, college, or vocational-technical school.
  - Is an honor student because the scholastic records for the immediate preceding quarter, semester or comparable segment show that such person
    - Ranks scholastically in the upper 20% of the class
    - Has a "B" or better average
    - Has a 3.0 average or better
  - Is a driver whose use of the automobile is considered by the insurer in determining the applicable classification.
- Senior Defensive Driver Discount – This discount applies to all drivers 55 years of age and older who have completed a Motor Vehicle Accident Prevention Course. Applies for a three year period from the time the course was taken. The course must meet one of the following criteria:
  - A course in defensive driving of not less than six hours from a driver improvement clinic, commercial or non-commercial driving schools approved by the and under the jurisdiction of the Georgia Department of Public Safety (GDPS).
  - An emergency vehicle operations course at the GDPS Training Center.
  - A course in defensive driving of not less than six hours from a driver improvement program which is administered by a non-profit organization such as AARP or AAA and which meets the standards established by the GDPS.
  - A course in defensive driving of not less than six hours offered by an employer to its employees and their immediate families, which has been approved by the GDPS

#### **ADDITIONAL DISCOUNTS**

- Anti-theft Discount - A discount will apply for each vehicle with an Anti-theft device..
- ESC/ABS Discount- A discount will apply to vehicles with ESC or ABS.
- Paid in Full Discount – A discount applies to all policies where the insured pays the premium in full at the inception of the policy period, and no SR-22 filing applies.
- Auto-Pay Discount – A discount will apply when an Auto-Pay Payment Plan is selected.
- Renewal Discount – A discount applies to renewal policies.
- Advance Shopping/Purchase Discount – A discount will apply to policies if the date the policy is bound is between 3 and 30 days prior to the effective date of the policy.
- Safe Driver Discount – A discount will apply based on the number of years for which we have a driving record for a driver without a chargeable violation or at fault accident. This discount only applies to drivers for whom the insurer has obtained a driving record of three or more years.

#### **CERTIFIED FINANCIAL RESPONSIBILITY FILINGS (SR22)**

For a risk on which a certificate of insurance (SR-22) is filed to comply with the requirements of an automobile financial responsibility law, a flat charge of \$25 shall be made for each such filing. The

charge is fully earned and shall not be subject to modifications under the provisions of any other rule in this manual. SR-22 filings will be filed only for the state of Georgia.

## CANCELLATIONS

The Company may flat cancel for down payments which are returned by the bank for non-sufficient funds. Agents are to notify the Company immediately upon receiving notice of the NSF from the bank. A copy of the front and back of the returned check, along with the request to cancel must be faxed to MGA Insurance Company, Inc.

Insured's checks for installment payments that are returned for non-sufficient funds will be cancelled giving the appropriate notice.

A request by the insured to cancel the policy must be in writing and signed by the named insured; the effective date of the insured requested cancellation cannot be earlier than the date the Agent or Company was notified by the named insured. Cancellations at the request of the insured will be computed on a short rate basis, which is computed at 90% of the pro-rata return. Cancellations for underwriting reasons will be computed on a pro-rata basis.

See section on Material Misrepresentation for terms of cancellation when false or misleading statements are presented on the insurance application.

## RENEWALS

A renewal policy will be issued after the inception of the new policy period if all premiums owed on the current policy have been paid and the first payment of the renewal policy has been received prior to the expiration of the current policy term. Renewal offers and non-renewals will be sent at least 45 days prior to the policy anniversary date.

If the appropriate renewal payment is not paid or mailed (U.S. Postal Postmark) by the expiration date of the policy term, coverage will expire on the final day (expiration date) of the current policy term (there is no grace period).



# Premium Determination

If an application is submitted with an improper driver class, discount, surcharge, etc. the policy will be issued at the appropriate rate level according to the rules as set forth in this manual.

## DRIVER CLASSIFICATION

Age refers to the driver's age at policy inception (effective date). A marital status of "single" in the rating pages refers to an unmarried, widowed, divorced or legally separated driver. A marital status of "married" means a legally married person. If a driver is "married" and their spouse is not a ratable driver on the policy, classification "X" will apply.

## PHYSICAL DAMAGE

For vehicles with physical damage a model age adjustment factor applies to the liability coverages.

A pre-insurance vehicle inspection form must be completed at the time of application for all vehicles insured with physical damage coverage. Vehicles are required to be inspected as follows:

- Verify that the VIN on the dashboard matches the VIN of the registration and application.
- Walk around the vehicle to check for existing damage. If there is existing damage, the damage must be clearly described on the inspection form and photos must be taken and maintained with the application.
- Odometer reading must be completed.

The Vehicle Inspection Form and above procedures are required when processing an endorsement to add physical damage.

A vehicle inspection form is required for each vehicle insured with physical damage coverage. If a loss occurs and it is determined that the producer did not actually inspect the vehicle and prior damages are paid for by the Company, the Company reserves the right to make a claim for these previous damages from the Agent.

Exception: Vehicle inspections are not required for new vehicles if a copy of a licensed dealer's bill of sale, invoice or window sticker is submitted with the application.

## REPORTS USED FOR UNDERWRITING

During the quote and bind process on our Company website [www.gainscoconnect.com](http://www.gainscoconnect.com), reports are ordered as a part of our underwriting process. Data returned from these reports identifies information specific to the vehicle(s) and driver(s), such as length of ownership, incidents, license status, etc., which is used for underwriting and rating.

## INSURANCE SCORING

A TransUnion Insurance Risk Score based upon credit history information from the may be ordered for the named insured as part of the quote process. This score will be used to determine the Insurance Score Tier. If the named insured opts out of the Insurance Score ordering, the Opt Out tier will apply.

To order the Insurance Score, select “Scored” and follow the instructions on the [www.gainscoconnect.com](http://www.gainscoconnect.com) website. Please read the disclosure on the website to the customer and verify their permission to obtain the score. Select “Agree” only if the applicant gives permission to obtain the score.

Include the full name, address, date of birth, and last 4 digits of the applicant’s Social Security Number in order to obtain the Insurance Score. An applicant has the right to not provide the last 4 digits of their Social Security Number, but this may result in a No Hit result.

If a score is ordered and results in an applicant not receiving the maximum rate benefit, or a No Hit or “thin file” result is returned, provide the applicant with the FCRA notification that is generated by the website. If a customer suspects inaccuracies in their credit information, they may request a copy of their report by contacting the vendor as instructed in the notice provided.

At the request of the named insured, we will re-order the score up to once per twelve month period. Should the score result in a more favorable rate for the insured we will use it during the renewal pricing process. Otherwise, we will continue to use the score from the prior policy term.

## REPORT DATA CORRECTIONS

The insured may provide information to the agent correcting or supplementing any data received via an Underwriting Report, Insurance Score report, or any other report utilized in calculating premium. The forms the agent may use to assist the insured in submitting this information to us will be available on our Website. All requests to update information will be reviewed, and any appropriate policy data corrections will be applied and the premium will be recalculated.

## VEHICLE MAKE AND SERIES

A rate factor applies to each vehicle based on the vehicle’s Make and Series. A vehicle that is substantially similar to a previous model year vehicle sold by a different manufacturer using the same model name, or by the same manufacturer under a different model name shall not be considered a new make or model. The Series Group assigned to such vehicles shall be the same as if the change in manufacturer or model name had not taken place. A vehicle that is not substantially similar to a previous vehicle will receive a new Series Group and applicable factors.

# Fees

**Installment Fee:** \$6/installment for non-EFT\*, \$3/installment if EFT\*

**Late Fee:** \$10 each occurrence\*

**NSF Fee:** \$25 each occurrence\*

**Policy Fee:** \$25 each policy term\*

**Reinstatement Fee:** \$10 per reinstatement\*

**SR-22 Fee:** \$25 each policy term for which an SR-22 is required\*

*\* Fee is non-refundable and fully earned.*

## **Material Misrepresentation**

It is important that agents ask all questions directly to the applicant and clearly explain the consequences of providing false information. Complete and accurate information on the application is required in order to bind coverage. Material Misrepresentation may result in the policy being declared null and void from the inception and will impact the insured's rights to policy benefits. It is important that agents explain that a claim may not be paid if false or misleading information is provided to us. Misrepresentation includes, but is not limited to the following:

- Failure to disclose all drivers as described elsewhere in this manual.
- Use of an incorrect garaging address.
- Failure to accurately represent that the vehicle(s) and driver(s) are located in Georgia 10 months per year.
- Failure to report all prior accidents or violations on the application.
- Failure to accurately report vehicle usage or vehicles available for use.

# APPENDIX A – UNACCEPTABLE VEHICLES

The following vehicles are unacceptable. This list describes the most common unacceptable vehicles; there may be unacceptable vehicles not specifically described below.

MAKE	UNACCEPTABLE MODELS
ACURA	NSX
AM GENERAL	HUMMER H1
AMC/EAGLE	2000 GTX
ASTON MARTIN	ALL MODELS
AUDI	R8, R8 VERT, RS4, RS4 VERT, RS5, RS6, S4, S4 SW 6CYL, S4 SW 8CYL, S4 VERT, S5, S6, S6 10CYL, S6 SW, S7, S8, S8 10CYL
AVANTI	ALL MODELS
BENTLEY	ALL MODELS
BERTONE	ALL MODELS
BLUE BIRD	ALL MODELS
BMW	8SERIES 12CYL, 8SERIES 8CYL, ELECTRIC-BMW, M6 10CYL, M6 6CYL, Z8
BUGATTI	ALL MODELS
BUICK	INCOMPLETE-BUIC
CADILLAC	ALLANTE, INCOMPLETE-CADI, LIMOUSINE-CADI, XLR
CHEVROLET/GEO	CAPTIVA, ELECTRIC-CHEV, INCOMPLETE-CHEV, MOTOR HOME-CHEV, ORLANDO, OTHER-CHEV, TRACKER 2W-CHEV, TRACKER 4W-CHEV, VAN 1T CARGO-CHEV, VAN 1T-CHEV
CHRYSLER/PLYMOUTH	LIMOUSINE-CHRY, PROWLER-CHRY, VAN 1T-PLYM
CODA	ALL MODELS
DAEWOO	ALL MODELS
DAIHATSU	ALL MODELS
DATSUN	INCOMPLETE-DAT
DELOREAN	ALL MODELS
DODGE/MITSUBISHI	B350 VAN, B350 VAN CARGO, INCOMPLETE-DODG, RAIDER, SPRINTER 3500-DODG, VIPER, VIPER VERT
FERRARI	ALL MODELS
FIAT/BERTONE	BERTONE-FIAT, PININFARINA-FIAT
FISKER	ALL MODELS
FORD TRUCK	E350 VAN, E350 VAN CARGO, ELECTRIC-FORD, F150 SVT, F450, F650, F750, GT FORD, GT500, INCOMPLETE-FORD, MUSTANG COBRA, MUSTANG COBRA VERT, TRANSIT
GEM	ALL MODELS
GEO	TRACKER 2W-GEO, TRACKER 4W-GEO
GMCA/PASSPORT/ASUNA	INCOMPLETE-GMC, MOTOR HOME-GMC, TRACKER 2W-GMC, TRACKER 4W-GMC, VAN 1T CARGO-GMC, VAN 1T-GMC
HONDA	ELECTRIC-HOND, FUEL CELL-HOND
ISUZU	AMIGO, INCOMPLETE-ISZU
JAGUAR	XK 2D, XK VERT

JEEP	CJ SERIES, SCRAMBLER
LAFORZA	ALL MODELS
LAMBORGHINI	ALL MODELS
LEXUS	LFA
LINCOLN	INCOMPLETE-LINC
LOTUS	ALL MODELS
MASERATI	ALL MODELS
MAYBACH	ALL MODELS
MAZDA	SPEED3
MCLAREN	ALL MODELS
MERCEDES BENZ	AMG, BENZ 600, CL500, CL550, CL600, FUEL CELL-MBNZ, SPRINTER 3500-MBNZ, G500, G550, INCOMPLETE-MBNZ, SL VERT 12CYL, SL VERT 6CYL, SL VERT 8CYL, SLR
MITSUBISHI	ELECTRIC-MITS
NISSAN	ELECTRIC-NSSN, GTR, INCOMPLETE-NSSN, VAN 1T-NSSN
PANTHER	ALL MODELS
PININFARINA	ALL MODELS
PORSCHE	ALL MODELS
RENAULT/EAGLE	ALL MODELS
ROLLS ROYCE	ALL MODELS
SATURN	ELECTRIC-SATN
SMART	ALL MODELS
STERLING	ALL MODELS
SUBARU	BRAT, IMPREZA WRX STI
SUZUKI	JIMNY, SAMURAI, SIDEKICK, X90
TESLA	ALL MODELS
TOYOTA	ELECTRIC-TYTA, INCOMPLETE-TYTA
TRIUMPH	ALL MODELS
TVR	ALL MODELS
VOLKSWAGEN	INCOMPLETE-VLKS
VPG	ALL MODELS
WHEEGO	ALL MODELS
YUGO	ALL MODELS