

INDIANA RULES AND RATES PRIVATE PASSENGER AUTO

AMERICAN FREEDOM INSURANCE COMPANY

POLICY TERM

Rates are based on a six month policy term. Policies may also be purchased in increments of \$100 or 30 days, whichever is less. To obtain a "daily rate," divide the 6 month rate by 180 days. This will give you a "daily rate." To arrive at the number of days of coverage, deduct \$10 billing and service charge from the payment and divide by the daily rate. Round up or down.

BINDING PROCEDURES

- Coverage on applications or endorsement requests will be bound as of the date and time shown on the application or endorsement request, provided:
 - The envelope containing the application or endorsement is postmarked within 72 hours of the effective date or;
 - is submitted electronically via our website or authorized rating vendor(s); or is submitted by fax (facsimile) transaction. The application or endorsement must be received within 3 business days.
- The application must be fully completed and comply with all rules and regulations contained in this manual.
- To bind by fax, call our 24 hour fax number at 219-769-0065.

CANCELLATIONS

- Insured Request:
Must be requested in writing and accompanied by the original policy, a lost policy release, or insured's written request.

In the event of total loss, coverage will continue until the insured sends in a cancellation request.

- Flat Cancellations:

Flat cancellations are not permitted once a policy is in force, unless other coverage existed and the other company's dec sheet is sent in to verify the fact.

Policy will be flat cancelled if the down payment is not honored by the bank or credit card company.

Without payment, there is no coverage.

REINSTATEMENTS

No reinstatements are permitted. Policy must be rewritten.

CLAIMS

- **ALL CLAIMS MUST BE REPORTED IMMEDIATELY (regardless of whether or not the policy has been issued).**
- Do not authorize any repairs or replacements, regardless of the amount, without the Company Claim Department's approval.
- To eliminate non-income production time from your busy schedule and allow the Company the opportunity to give your client immediate and direct claim services, please instruct your insureds and claimants to call our Claim Service Department at (877) 467-8750.
- **IN THE EVENT OF A LOSS**, the insured is to call us to report the facts of the loss in detail that includes the who, what, when, where, and how of the loss.
- For thefts, there is an automatic waiting period of 30 days before settlement of **unrecovered** thefts.

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ENDORSEMENTS

- **Address Changes:**
Change request must include the address and zip code.
- **Vehicle Changes:**
All replacement and additional vehicles, including vehicles with "liability only" require notification within 14 days of acquisition.
- Driver class reduction is permissible only at renewal.

LIABILITY RATES

All vehicles must carry the same limits.

UNINSURED/ UNDERINSURED MOTORISTS COVERAGE

- **Uninsured Motorists Coverage (UM) - BI**
A named insured has the right to reject UM by signing the UM rejection statement on the application. This offer need be made only once and is not required for subsequent renewals or replacement policies. A named insured may subsequently request such coverage in writing.
Limits must be equal to the Liability limits unless the waiver on the application is signed by the insured (\$25,000 / \$50,000 available only).
- **Underinsured Motorists Coverage (UIM) - BI**
A named insured has the right to reject UIM by signing the UIM rejection statement on the application. This offer need be made only once and is not required for subsequent renewals or replacement policies. A named insured may subsequently request such coverage in writing.
Underinsured Motorists Limits are \$50,000 / \$50,000 only.
UIM and UM coverages are only available together.
- **Uninsured Motorists Property Damage Coverage (UMPD)**
Must be offered to the insured for any private passenger rated vehicle. It is available only if UMBI is also purchased. This offer need be made only once and is not required for subsequent renewals or replacement policies. If a named insured declines coverage, the waiver must be signed. A named insured may subsequently request such coverage in writing.
The coverage will pay for damages to the scheduled

auto caused by actual physical contact with a known uninsured motorist or uninsured owner. The Company liability is limited to the actual cash value of the car or \$25,000, whichever is less. The coverage does not apply to loss of use of the auto or for personal property in the auto.

RENEWALS

An offer to renew is included with each policy. The program provides a continuous policy as long as the insured pays installments when due. There is no automatic coverage or grace period after the expiration date of a policy.

Unacceptable renewal risk is any risk that Underwriting has determined to be unacceptable based on changing risk characteristics.

UNDERWRITING PHILOSOPHY

We are able to provide coverage for most applicants who have shown a desire to safely operate a vehicle. With our program, we have a place for almost every proposed insured. Each risk is underwritten individually and acceptance is not guaranteed solely because a risk falls within the acceptable criteria outlined in the underwriting guide. Please call about any questionable risks. Motor vehicle records will be requested for all applying drivers and inspection calls will be made to verify information. Just as it is impossible to detail every acceptable risk, it is impossible to detail every unacceptable risk; therefore, we reserve the right to refuse or cancel a risk based on our underwriting discretion.

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UNACCEPTABLE DRIVING RECORDS

Revocation or conviction of the following:

- Motor vehicle felony; or
- Vehicular manslaughter.
- Four or more at fault accidents in the past 36 months.

SURCHARGES

- Surcharges apply to all premiums on a policy.

Points	Surcharge
1	10%
2	20%
3	30%
4	40%
5	50%
6	60%
Each Additional	+10%

DRIVER CLASSIFICATION CODES

Class 1	All Drivers 16 - 18
Class 2	All Drivers 19 - 20
Class 3	All Drivers 21 - 24 All Drivers 70 and Over
Class 4	All Drivers 25 - 69
Class 5	N/A
Business/ Artisan Use	25% Surcharge - All Classes

TERRITORY CODES

Territory 1	Entire State
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DRIVERS

- Available to drivers 16 and over.
- No point assessment will be applied to driving records carrying up to and including 2 minor moving violations in the past 36 months. Point assessment for driving records containing more than 2 minor moving violations in the past 36 months can be found on page 4 of this manual.
- For a list of points assessed for major violations, please turn to page 4 of this manual.
- Matricula consular id, foreign identification, passport, or a State issued identification is acceptable as identification of a driver.

INDIANA RESIDENT

Insured(s) must be a resident of Indiana, and the vehicle must be garaged in Indiana for at least 10 months of the year. Vehicle must be registered in Indiana, and new purchases to be registered in Indiana according to Indiana laws.

COVERAGE LIMITS

Coverage of 25 / 50 / 25 only. Optional UM and UIM are only available at \$25,000 / \$50,000 and \$50,000 / \$50,000 respectively.

Optional UMPD is available at \$25,000 / \$0 deductible.

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SURCHARGE POINT LISTING 36 Month Period

MINOR VIOLATIONS

0 - 2 Minor Violations	0 Points
3 - 5 Minor Violations.....	1 Point
6 - 8 Minor Violations	3 Points
9 + Minor Violations	4 Points

MAJOR VIOLATIONS

DUI / DWI / OWI / PER SE	3 Points
Driving during suspension.....	3 Points
Reckless / Careless Driving	3 Points
Leaving the Scene of an Accident	4 Points
Vehicular Reckless Homicide	6 Points
Chemical Test Failure	3 Points
Out of State.....	2 Points
Permit	2 Points

ACCIDENTS

1st At-Fault Accident.....	3 Points
2nd At-Fault Accident.....	6 Points
3rd At-Fault Accident	9 Points
Alcohol-Related Accident.....	6 Points

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OPTIONAL LIABILITY COVERAGES

OPTIONS	LIMITS	6 MONTH PREMIUM PER VEHICLE
UNINSURED / UNDERINSURED MOTORISTS BI	\$25,000 / \$50,000 and \$50,000 / \$50,000	\$39.60
UNINSURED MOTORISTS PD (\$0 DEDUCTIBLE)	\$25,000	\$39.60
MEDICAL PAYMENTS	\$500	\$39.60

LIABILITY PREMIUMS

DRIVER CLASS	LIMITS	6 MONTH PREMIUM
CLASS 1	\$25,000/\$50,000/\$25,000	\$864.00
CLASS 2	\$25,000/\$50,000/\$25,000	\$648.00
CLASS 3	\$25,000/\$50,000/\$25,000	\$450.00
CLASS 4	\$25,000/\$50,000/\$25,000	\$270.00
CLASS 5	N/A	

PHYSICAL DAMAGE PREMIUMS

RATES

All vehicles will be rated by using the "Automobile Red Book Valuation" under column average retail value plus any special equipment. The daily rate will be calculated as follows: (.00081 x Red Book rating value for Class 1 & 2 drivers and .00048 x Red Book rating value for Class 3, & 4 drivers).

DEDUCTIBLES

\$500 Comprehensive and Collision.

UNACCEPTABLE FOR PHYSICAL DAMAGE COVERAGE

Previously totaled, rebuilt, flood, and salvage vehicles are not covered for comprehensive, collision, and umpd. Liability, medical, and umbi coverage is available for these vehicles.

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UNACCEPTABLE RISKS & USE

We will not accept the following:

- An Operator who is physically and /or medically handicapped and is unable to provide us with a certificate from a physician testifying to his / her **unqualified** ability to operate a motor vehicle safely (physical handicap is defined as an amputation or loss of function).
- Vehicles used for racing, race cars, emergency vehicles, and any vehicle valued over \$25,000 (retail).
- Vehicles used for livery or taxi service or any risk requiring a certificate for or owned by a federal, state, county, municipality or quasi-government entity.
- No vehicles with a load capacity over 2000lbs, messenger or escort vehicles, short term lease or rental cars, or any auto not of the private passenger type.
- Vehicles used for delivery, business, commercial purposes, services to transport people or goods for a fee, or artisan type occupations other than commuting. Limited business/ artisan use is available for an additional premium.

DISCOUNTS

- **Automatic Renewal Discount** – a 5% discount for policies that renew automatically when the Electronic Funds Transfer (EFT) Authorization Form is used.
- **Advanced Driving School Discount** - a 10% discount for approved and successful completion of an Advanced Driver Development Course.
- **Defensive Driving Course Point Credit** - an individual who has successfully completed and paid for the defensive driving course shall be awarded a four (4) point credit that will be entered on the driver's driving summary.
The four (4) point credit shall remain in effect for a three (3) year period; however, the four (4) point credit may only be credited to the driver once every three (3) years for successfully completing the defensive driving course.
This four (4) point credit has no bearing on the rating of this program.