

GEORGIA Agent Underwriting Guide And Rule Manual

Clear Spring Property and Casualty Company

Underwritten and Administered by

AMIGO MGA, LLC

**EFFECTIVE
New Business: 4/1/2019**

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G. GENERAL

Rule Number: G01

Rule Description: Definition of Private Passenger Autos

The term "private passenger auto" means a four-wheel passenger vehicle, owned or leased by the named insured or a resident relative which is not used for public or private livery conveyance or for commercial purposes other than "business use" as defined in Rule V02. Vehicles used for volunteer or charitable purposes or which normal operating expenses are received are also included in this definition.

Rule Number: G02

Rule Description: Unacceptable Insureds/Drivers

The following risks are not acceptable for our private passenger auto program:

1. Named insured(s) who has never been licensed.
2. Operators under the minimum age for state licensing.
3. Policies where an operator has a permanently revoked license, unless that operator is excluded from coverage.
4. Applicants who have been convicted of insurance fraud.
5. Persons employed in illegal enterprises and occupations.
6. Persons employed in occupations involving the use of an insured vehicle by non-resident or nondependent operators.
7. Persons who have had a policy canceled by Clear Spring for a loss experience or misrepresentation.
8. Any application with a driver who is nationally or locally known to a large segment of the population (e.g., celebrity, entertainer).
9. Persons convicted of a felony involving the use of a vehicle, which was material to the felony conviction.
10. Operators without a permanent telephone number where they can be reached.

Rule Number: G03

Rule Description: Unacceptable Vehicles / Vehicle Usage

All vehicles with a current retail value over \$40,000 are unacceptable, as are vehicles over 30 model years old. Additionally, the following vehicles are unacceptable:

All	High Performance and Premium Sports Cars, Police/Interceptor/Supercharged models, Vehicles with Aluminum or Fiberglass bodies Vehicles with top speeds of 25-30 MPH Golf Cart Style(s) and Micro Trucks
Acura	CSX, NSX, ILX, TSX E, ZDX, GSR, Integra Type-R
Alfa-Romeo	All Models
Aston Martin	All Models
Avanti	All Models
Audi	A4 - S2.0T, Tiptronic/Quattro models, A6 - 2.0T, Tiptronic/Quattro models, TT, R8
Baja Bugs	All Models
Bentley	All Models
BMW	M-Series Models, Alpina Models, Z-Series, 6-Series,

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Cadillac	7-Series (Models 730 and above,) 8-Series
Chevrolet	CTS-V, ELR, XTS, ATS (2.5L and 3.6L models) All SS Models (Camaro SS, Colbalt SS, Malibu SS, et cetera.) Camaro – SS, Z/28, ZL Models, Corvette – All Models
Chrysler	All SRT Models, Prowler
Dodge	All R/T and SRT Models, Sprinter (All Models,) Stealth, Viper, Shelby Models
Delorean	All Models
Ferrari	All Models
Ford	Think, Mustang – Cobra (including Shelby Models,) Boss, Mach 1 Models
GEM	All Models
Honda	S2000
Hummer	All Models
Hyundai	Genesis – all models, Veloster – Turbo models, Equus
Infiniti	Q60, Q70, G37 coupe, all IPL models
Jaguar	XJS, XK, F-Type, XJR models, Super V8 and Supersport models
Kia	K900, Optima SX and Turbo models
Lamborghini	All Models
Lotus	All Models
Maserati	All Models
Mazda	MX-5 (Miata,) RX-8, all Touring or Speed models
Mercedes	All AMG models, SL, SLK, SLR, SLS, CLS, and Sprinter models
Mini	Roadster Models
Mitsubishi	3000GT, VR4, Eclipse — GTS & GS Sport Models, Lancer Ralliart and GT Models
Morgan	All Models
Nissan	Z-car models, GT-R
Plymouth	Prowler, Laser RS and Turbo Models
Pontiac	Fiero, Firebird – GT, Turbo, Formula, and Trans Am Models, G8, GTO, Solstice
Porsche	All Models
Rolls Royce	All Models
SAAB	All Turbo Models
Scion	FR-S
Sprinter	All Models
Sterling	All Models
Subaru	Impreza WRX
Toyota	Celica – GT, GTS Models, MR2, Supra
Triumph	All Models
TVR	All Models
Vector	All Models
Volkswagen	Phaeton, Golf – GTI, 2.0 TDI

1. Vehicles without a garaging address.
2. Stated value vehicles.
3. Gray market vehicles.
4. Vehicles which are not roadworthy.
5. Vehicles used for racing.
6. Vehicles including but not limited to vans, trucks, sedans and utility vehicles either used for business or leased by the applicant for business, unless the usage does not REQUIRE that style of vehicle. (Refer to Artisan use).
7. Recreational vehicles.
8. Vehicles leased or rented to other drivers by the applicant.
9. Any vehicles that are regularly available to non-listed driver(s) other than resident relatives.

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10. Pickups or vans with a designation of F450 or E450 and higher, or their Chevrolet, Dodge, GMC and Isuzu equivalents are unacceptable for any type of vehicle usage.
11. Vehicles equipped with altered suspensions -- "altered" is defined as homemade, custom-built, or modified; lift kits, snowplowing equipment; cooking equipment or bathrooms.
12. Dune buggies and kit cars.
13. Propane powered vehicles, except hybrids approved by Clear Spring.
14. Vehicles 1980 and older will be acceptable for liability only and will be assigned symbol 69 for all coverages.
15. Vehicles not registered for street use.
16. Vehicles used commercially.
17. Commercial vehicle types such as Step, Panel, Cutaway Vans, Dump Trucks and Wide Load Escort Vehicles.
18. We accept only one (1) of the following vehicle types per policy, regardless of load capacity or gross vehicle weight, for pleasure use only – they are not permitted for business/artisan use. Examples include: Large trucks and vans usually designated as F250, F350, E250, E350 and their equivalents from Chevrolet, Dodge, GMC and Isuzu.
19. Vehicles transporting explosives, chemicals, radioactive materials or flammable substances.
20. Vehicles with an incomplete chassis.
21. Conversion vans.
22. Salvage Vehicles
 - a. Exception to salvaged vehicle rule: If vehicle has been rebuilt; and properly certified with the State Department of Motor Vehicles as roadworthy (Liability only.)

Rule Number: G04

Rule Description: *Unacceptable Additional Equipment*

Equipment, which is always excluded from Additional Equipment coverage and from Comprehensive/Collision coverage:

1. Additional equipment not permanently installed in the vehicle.
2. Radar detectors, custom murals, nose bras and insect shields.
3. Equipment in an unlocked or open vehicle is not covered.
4. Equipment for which the value cannot be determined or verified.
5. Sinks/bathroom/toilet facilities/equipment for cooking.
6. Personal property carried in a vehicle.

Rule Number: G05

Rule Description: *Unacceptable Policies*

1. Policies with more than one (1) business or artisan use vehicle (refer to Rule V02).
2. Policies listing vehicles from more than one (1) household (this does not apply to acceptable student/military personnel).
3. Policies where Estates, Receiverships, Corporations or Partnerships are listed as the named insured.
4. Policies with principle garaging location outside Georgia.
5. Two (2) policies in a household are unacceptable except in the following instances:
 - A. Children who own their own vehicles; and
 - B. Unrelated residents / roommates.
6. Policies where the number of vehicles is greater than one (1) more than the number of drivers.

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Rule Number: G06

Rule Description: Vehicles Owned or Leased by a Partnership or Corporation

Vehicles Owned or Leased by a Partnership or Corporation are not acceptable.

Rule Number: G07

Rule Description: Binding Restrictions

We do not allow comprehensive or collision coverages to be bound or deductibles on existing physical damage policies to be lowered any time a hurricane, hail, tornado, flood, tropical storm, severe weather, state of emergency warning or watch has been placed by the National Weather Service. This binding restriction only applies to the counties in which the watch or warning is effective. We will reinstate binding 24 hours after the watch or warning is lifted.

B. BILLING

Rule Number: B01

Rule Description: Return Premium Calculation on Cancelled Policies

Return premium on company-initiated cancellations will be computed on a daily pro-rate basis. This means that unearned premium to be returned will be in the same proportion to total policy premium as the remaining policy term, after date of cancellation, bears to the total policy term. Earned premium will be calculated on a daily basis.

Return premium for cancellations for insured's request and nonpayment of premium will be computed on a daily pro-rate basis from the effective date of the cancellation.

Rule Number: B02

Rule Description: NSF Fee

The Company charges a \$25 fee for each payment which is returned for non-sufficient funds.

Rule Number: B03

Rule Description: Installment Fee

The Company charges each invoice the following (except new and renewal business down payment):

1. a \$15 Paper Bill Installment Fee.
2. a \$12 EFT Installment Fee.

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Payment Plans:

Plans	First Installment	Second Installment	Subsequent Installments	Number of payments
Paid in Full	100% of premium, plus \$25 Policy Fee due on Eff. Date			
1 Pay 50% Down	50% of premium, plus \$25 Policy Fee due on Eff. Date	50% of Balance Due 73 days After Eff. Date plus \$15 OR \$12 (eft) Installment Fee		
5 Pay 25% Down	25% of premium, plus \$25 Policy Fee due on Eff. Date	15% Due 30 Days After Eff. Date plus \$15 OR \$12 (EFT) Installment Fee	15% Due Every 30 Days After Prior Installment \$10 Installment Fee	One down payment plus five installments
5 Pay 16.67% Down	16.67% of premium, plus \$25 Policy Fee due on Eff. Date	16.666% Due 17 Days After Eff. Date plus \$15 OR \$12 (EFT Installment Fee	16.666% Due Every 30 Days After Prior Installment \$10 Installment Fee	One down payment plus five installments

Rule Number: B04

Rule Description: *Late Fee*

The Company charges a \$15 late fee when the minimum payment due is not received or uploaded three (3) days or more after the installment due date.

Rule Number: B05

Rule Description: *Policy Fee*

All policies will be charged a \$25 MGA policy fee. The fee is applied to each renewal. The fee will be fully earned.

Rule Number: B06

Rule Description: *Reinstatement with a Lapse in Coverage*

Policies, which have been cancelled for non-payment of premium for up to fifteen (15) calendar days, can be reinstated with a lapse in coverage.

P. POLICY

Rule Number: P01

Rule Description: *Policy Period*

Terms that may be offered are six (6) month policies.

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Rule Number: P02

Rule Description: Zip Code Level Rating

Vehicles are rated at the zip code level by coverage based on the zip code in which the vehicle is principally garaged. Factors are assigned at the zip code level for the following coverages: Bodily Injury, Property Damage, Medical Payments, Comprehensive, Collision, Uninsured Motorist, and Uninsured Motorist Property Damage.

If Clear Spring is notified that the insured has moved out-of-state and state requirements for liability are higher than those listed on the insured's Georgia policy, the limits will be raised to meet the out-of-state requirement. Only limits offered by Clear Spring's auto program would apply.

Rule Number: P03

Rule Description: Reserved for Future Use

Rule Number: P04

Rule Description: Summary of Coverages Offered

This program offers the following coverages: Bodily Injury, Property Damage, Medical Payments, Uninsured Motorist Protection, Uninsured Motorist Property Damage, Comprehensive, Collision, and ID Theft.

Rule Number: P05

Rule Description: Bodily Injury

Bodily Injury and Property Damage limits are required to be equal to or higher than the minimum financial responsibility limits required by law in any state in which a vehicle is garaged for more than two months out of the year. All vehicles on the policy must carry the same limits. Available limits are (\$000s):
25/50, \$50/\$100, \$100/\$300

Rule Number: P06

Rule Description: Property Damage

Property Damage limits are required to be equal to or higher than the minimum financial responsibility limits required by law in any state in which a vehicle is garaged for more than two months out of the year. All vehicles on the policy must carry the same limits. Available limits are (\$000s):
\$27.5, \$50, \$100

Rule Number: P07

Rule Description: Uninsured Motorist Bodily Injury (Reduced and Add-On) Limits

Uninsured Motorist coverages are mandatory as required by law but can be rejected in writing or selected as Reduced or Add-On by completing the UM Selection/Rejection form. UM is a policy level coverage. Limits cannot exceed the bodily injury liability limits. If an increased limits rejection form is not signed, these coverages will be automatically added to the policy at limits equal to the selected BI limits. Available limits are (\$000s):

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25/50, 50/50

Rule Number: P08

Rule Description: Uninsured Motorist Property Damage

Uninsured Motorist Property Damage cannot be selected without Uninsured Motorist Bodily Injury. The available deductibles for Uninsured Motorist Property Damage are:

\$250
\$500
\$1000

Rule Number: P09

Rule Description: Reserved for Future Use

Rule Number: P10

Rule Description: Physical Damage Deductibles

Physical damage only policies are not allowed. Comprehensive coverage may not be purchased without Collision coverage. Comprehensive and Collision coverage will only be allowed on vehicles that are 15-years old or newer. Physical Damage coverage does not have to be selected for each vehicle on a multivehicle policy. Only equipment that is permanently installed by the original manufacturer is covered under Comp/Coll coverages. The following deductibles can be selected in any combination:

\$250
\$500
\$1000

Rule Number: P11

Rule Description: Medical Payments

Medical Payment coverage is available at the following limits:

\$1000
\$2000
\$5000

Rule Number: P12

Rule Description: Reserved for future use

Rule Number: P13

Rule Description: Named Operator Policies

Named operator policies provide liability protection for the named insured while driving non-owned autos. A separate policy is required for each spouse or resident relative. Named operator policies are not available if any household resident has regular access to a vehicle, or if the insured operates a vehicle used for commercial purposes. Named operators are rated with Symbol 66 factors at the base mode year.

1. No member of the named operator's household may own or have access to a vehicle on a regular basis.
2. Coverage does not apply to vehicles owned by the insured or a relative.
3. Coverage only applies to the person listed on the declarations page and does not extend to household members.
4. Bodily Injury, Property Damage, Uninsured Motorists, Medical Payments are the only coverages written.
5. Business/artisan use is unacceptable

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6. SR22 Filings are acceptable (operator only).
7. Liability limits greater than 25/50/25 are unacceptable.
8. Named insured cannot live outside Georgia.

Rule Number: P14

Rule Description: Reserved for Future Use

Rule Number: P15

Rule Description: Transfer Discount

A 15% Transfer Discount applies any claim-free risk transferred from another carrier to Clear Spring Property and Casualty Company. This must be submitted with proof of such prior coverage. The Transfer Discount remains for the life of the policy. If there was no prior policy the discount can be applied if the insured:

- a) Was in the military and out of the country for six or more months; or
- b) Had a company vehicle provided for their use

The insured must submit a signed notarized statement verifying the legitimate reason for not having insurance.

Acceptable evidence is:

1. A Declaration page;
2. Letter of experience from the prior company or broker/agent (on company letterhead). The proof should be in the client's or his/her spouse's name. Ideally it is for the same vehicle(s), although proof for another vehicle is okay, as long as it is owned by the client or his/her spouse and is not unacceptable per the rule below. The proof should clearly indicate the full span of time being taken credit for. The policy shall have been for a minimum of six months and shall not have lapsed for more than 30 days.

Unacceptable evidence is:

1. Proof for a totally different type of vehicle.
2. Proof where the policy is in somebody else's name, or where the client is only listed as a driver on another policy. The exceptions are a spouse and children of the client. However, in the case of children, proof that they were listed as a driver is required.

The proof must include evidence of financial responsibility coverage. Therefore, proof of Comprehensive and Collision only, is not acceptable.

Rule Number: P17

Rule Description: Good Driver Discount

A 10% Good Driver Discount is applied to all drivers who qualify for the Transfer Discount and have a clean violation history for the past 36-months.

Rule Number: P18

Rule Description: Multi-Car Discount

A 10% Multi-Car Discount applies if there is more than one (1) vehicle on the policy. To qualify for the multi-car discount all eligible vehicles must be located at the same garaging address, and:

1. Registered solely to the named Insured, insured's resident spouse; or rated driver on the policy, and;
2. Used principally by the Named Insured, insured's resident spouse, resident children, or rated

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driver on the policy. Vehicles registered or rated to persons other than the above do not qualify for the multi-car discount.

Rule Number: P19

Rule Description: Renewal Discount

Renewal 20% Renewal Discount applies for any claim-free policy renewed by Clear Spring Property and Casualty Company. This discount will be effective on the policy so long as the policy renews within 30 days of expiration.

The renewal Discount can also be applied when insured's previous policy was in-force with the agency or brokerage writing the new business and it meets the requirements for the Transfer Discount and is claim free for the prior 36-months.

Rule Number: P20

Rule Description: Good Student Discount

A 5% Good Student Discount is applied for drivers who are students currently enrolled in an accredited high school, vocational school or college courses, who maintained a "B" or better average for the most recent period of classes. Proof of grade average must accompany the application/ renewal request.

Rule Number: P21

Rule Description: Defensive Driver Discount

A 10% Defensive Driver Discount is applied if all named drivers listed for each motor vehicle covered by such policy satisfy the following requirements:

1. Reductions in premiums shall be available if all named drives who are 25 years of age or older;
 - a. Have committed no traffic offenses for the prior three years and;
 - b. Have had no claims based on fault against an insurer for the prior three years and;
 - c. Completed one of the following types of driving courses:
 - (i) A course in defensive driving of not less than six hours from a driver improvement clinic, or a commercial or non-commercial driving school approved by and under the jurisdiction of the Department of Public Safety;
 - (ii) An emergency vehicles operations course at the Georgia Public Safety Training center or;
 - (iii) 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 American Association of Retired Persons, the American Automobile Assoc., the National Safety Council, or a comparable organization which meets the standards promulgated by the Department of Public Safety or;
 - (iv) 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 Department of Public Safety.
2. Reductions in premiums shall be available if all named drivers who are under 25 years of age;
 - a. Have committed no traffic offenses for the prior three years and;
 - b. Have had no claims based on fault against an insurer for the prior three years and;
 - c. Complete a preparatory course offered to new drivers of not less than 30 hours of classroom training and not less than 6 hours of practical training by a driver's training school approved by and under the jurisdiction of the Department of Public Safety or by an accredited secondary school, junior college or college.

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Upon completion of one of the driving courses specified in paragraph (C) of subsection 1 or paragraph (C) of subsection 2 as applicable, by each named driver, eligibility for such policy shall continue for a period of three years, provided any named driver under such policy does not commit a traffic offense or have a claim against the policy based on any such drivers fault.

Rule Number: P22

Rule Description: Waiver of Punitive Damages Discount

A completed Punitive and Exemplary Damages Exclusion Endorsement must be signed and dated by the Insured in order to receive the 5% discount.

Rule Number: P23

Rule Description: Maximum allowable discount

The maximum allowable discount exclusive of multi-car and renewal discount is 35%

Rule Number: P24

Rule Description: Exception Clear Spring Property and Casualty Company as Prior

Proof of private passenger automobile liability insurance from an affiliated company of the Clear Spring Insurance Group, including Clear Spring Property and Casualty Company, is unacceptable for qualification of the Transfer Discount, unless it is one (1) of the following situations:

1. Insured is moving to a new state.
2. Insured was originally listed on another Clear Spring policy that has been in force for at least six (6) months, where the other Clear Spring policy is remaining in force and is a parent's policy, a child's policy, or a separated/ divorced spouse policy.
3. Insured's prior policy lapsed or canceled due to an overseas military deployment (see below).
4. Insured had at least two (2) years prior Accident experience with a 1-30 day lapse.

D. Driver

Rule Number: D01

Rule Description: Driver Classification

Drivers are classified by age, sex, and marital status.

Age refers to the age attained by the driver's last birthday before inception of the policy. Marital status is defined as follows:

Single - an operator who is not married or is legally separated:

Married - Only legally married or those deemed married by state law would be rated as married.

Drivers, who are single, widowed, separated, divorced, or same-sex couples must be rated as single.

Rule Number: D02

Rule Description: Driving Record Points

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Driving record points are assigned to operators for chargeable accidents and violations.

Chargeable Period - all accidents and violations occurring in the thirty-five (35) month period prior to policy inception are considered in developing a driver's policy premiums. When a driver is added midterm, accidents and violations will be charged for the entire 35month period prior to the driver being added to the policy.

Chargeable Date - to determine if the accident or violation took place in the chargeable period, use the occurrence date instead of the conviction date.

Same Day Offenses - if two or more violations or accidents occur on the same day, charge for the Violation or accident with the highest point charge. If multiple violations or accidents arose from different occurrences on the same day, charge the violation or accident, which develops the highest premium for each Occurrence.

Source of Points - charge for accidents or violations occurring while a driver is operating a private passenger auto, commercial vehicle, motorcycle or recreational vehicle.

At-Fault Accidents - Accidents noted on the MVR or application will be assumed to be at-fault unless proof is received to verify that the insured was not-at-fault. Clear Spring will consider accidents to be at fault if the prior carrier considered the accident at-fault or the driver was considered to be 51% or greater the proximate cause of the accident. Accidents are considered not-at-fault if:

1. The vehicle was lawfully parked at the time of the accident.
2. The accident was caused by collision with flying gravel, missiles or falling objects, or by contact with a bird or animal.
3. The vehicle was struck by a "hit-and-run" driver, and the accident was reported to the proper authorities within 24 hours.
4. A driver other than the driver of the insured's vehicle was convicted of a moving violation in connection with the accident.
5. The owner or operator of the insured's vehicle was reimbursed (or received judgment against another) for more than 50 percent of the property damage.
6. The driver is a law enforcement officer, firefighter, or emergency medical technician and was lawfully engaged in the performance of official duties or was operating an official vehicle provided to perform said duties.

Major Violations - Major violations include violations under the Motor Vehicle Code, Penal Code, Business and Professions Code, Health and Safety Code or any other code. This list may not be complete at all times. If you have any doubt, contact the Company:

1. Driving while under the influence of alcohol or narcotics or any open bottle violation.
2. Felony involving use of a motor vehicle.
3. Hit and run.
4. Reckless driving.
5. Fleeing or eluding a police officer.
6. Speeding over 30 miles over the posted limit.
7. Speed Contest-Exhibition of speed.
8. Illegal transportation of explosives.
9. Homicide or assault with a motor vehicle.
10. Passing a loading/unloading school bus.
11. This list may be revised.

Minor Violations - All other traffic violations involving the unsafe operation of a motor vehicle for which the Department of Motor Vehicles has assigned a point will be counted as one point except for the following which are considered two (2) Point violations:

1. Operating a motor vehicle during the period of revocation or suspension of registration or license.

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2. Operating a motor vehicle without the state or owner's authority.
3. Making false statements or impersonation in the application for license or registration.
4. Driving on the wrong side of the road.
5. Knowingly permitting an unlicensed person to drive.
6. Inexperienced Operator - any operator, regardless of age, who has not held a valid, permanent Georgia driver's license for at least two (2) years (Does not apply to drivers with an international license)

Rule Number: D03

Rule Description: Financial Responsibility Filings

At the insured's request, the Company will issue a SR-22 financial responsibility filing for any listed operator on the policy.

1. Any policy with a SR-22 must provide liability limits, which satisfy minimum financial responsibility requirements for the state requesting the filing. Any operator requesting a filing must have a verifiable driving record and cannot be excluded from the policy.
2. The Company will cancel the filing upon lapse or expiration of the policy; the filing will be reinstated if the policy reinstates or renews.
3. Filings will only be provided for the state of Georgia.
4. All vehicles owned by the driver requiring the filings must be on the Clear Spring policy.
5. A fee of \$25 will be assessed for issuance of the above filings.

Rule Number: D04

Rule Description: Named Driver Exclusion

Exclusions are allowed for both relative and non-relative residents of the same household. Exclusions are not available on any driver with an SR-22 filing. Drivers cannot be excluded from specific vehicles on the policy. All drivers must be rated or excluded. All licensed drivers age fifteen (15) or older in the household must be rated or excluded on the policy.

The Company will not pay for any claim arising from an accident or loss which occurs while any vehicle is being driven, either with or without the named insured's permission, by any excluded driver.

Rule Number: D05

Rule Description: Reserved for Future Use

Rule Number: D06

Rule Description: Unverifiable Driving Record & Foreign Driver's License

Unverifiable Driving Record (UDR) – A four (4) point surcharge will be assessed on any driver whose driving record cannot be verified by a state's Bureau of Motor Vehicles. The points will be removed if the Company receives a valid current MVR containing at least 12 months of driving history. The MVR must be no more than thirty (30) days old and must be received within sixty (60) days of policy inception. At new business, drivers with a learner's permit will not be charged for an Unverifiable Driving Record. UDR points will be assessed at the first annual renewal and subsequent policy terms if an MVR still remains unobtainable. This pertains to drivers under age 19.

A UDR will be charged for drivers 19 and older and licensed less than 12 months.

Rule Number: D07

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Rule Description: Instructional or Learners Permit Rating

Drivers with a learner's permit who are single, under the age of 19, and a child of the primary named insured, will not be included in the rating of the policy. The permit driver will become a rated driver at the earliest of:

1. Notification by the insured that the permit driver has obtained his/her full license, or
2. The first renewal of the policy after the permit driver becomes 16 years of age. We will notify the customer of the change in rating.

All other permit drivers must be rated or specifically excluded from coverage by completing the driver exclusion block on the application. A permit driver cannot be the PNI but can be a driver on the policy.

Rule Number: D08

Rule Description: Temporary Driver's License

Driver with a temporary license must complete all DMV requirements for a permanent license prior to the renewal of the current policy term.

Rule Number: D09

Rule Description: Expired, Suspended or Revoked License

Expired License – Drivers with a driver's license, which has expired in the past 60 days, must submit proof of license renewal within 20 days of the inception of the policy and/or the date requested by Clear Spring. If this requirement is not met, the policy is subject to a 10-day cancellation.

Suspended or Revoked License - Drivers with a suspended or revoked license must provide proof of license reinstatement within 30 days of the inception of the policy and/or the date requested by Accident Insurance. If this requirement is not met, the policy is subject to a 10-day cancellation.

V. VEHICLE

Rule Number: V01

Rule Description: Symbols

Vehicle symbols are determined using Insurance Services Offices (ISO)

Rule Number: V02

Rule Description: Vehicle Use Definition

1. Pleasure Use: A pleasure use vehicle is not used for business / commercial purposes;
2. Business & Artisan Use:
 - A. There can be only one (1) Business or Artisan Use vehicle on the policy
 - B. Definition
 - I. Business: The vehicle is rated as used for business if any of the following conditions apply;
 - a. The vehicle is used or is anticipated to be used to make trips for business purposes more often than any of the following:
 - i. 15 days in a month; or

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- ii. 90 days in a six (6) month period; or
 - iii. 180 days in a year
 - b. The vehicle is owned or leased by a business or has a business as an additional interest.
 - c. The vehicle is owned or leased by an operator who receives a monthly allowance for the vehicle.
 - II. Artisan Use: The vehicle is rated as Artisan Use if the vehicle is used or anticipated to be used by the operator to regularly transport tools and / or supplies between the operator's home and a job site.
- C. Business Use Guidelines – Business Use surcharge will apply:
Format change below
- I. Acceptable business use includes, but is not limited to:
 - a. Vehicles used to make regular and frequent trips for business errands (including trips to post offices, financial institutions, retail stores or business offices).
 - b. Vehicles used by real estate or insurance agents, lawyers, doctors, accountants or other professionals visiting multiple locations.
 - c. Vehicles owned by an insured and used by a domestic employee on a regular basis (e.g. maids, chauffeurs, nannies). The driver must be listed on the policy.
 - d. Vehicles used by sales or service representatives, or for consumer oriented direct home sales (e.g. Avon, Mary Kay, Tupperware).
 - II. Unacceptable business use includes, but is not limited to:
 - a. Vehicles used for livery, limousine, or taxi service.
 - b. Vehicles used to transport nursery or school children, migrant workers, hotel/motel guest, patients, or members of a van/car pool;
 - c. Vehicles used commercially for retail or wholesale delivery of products, such as, but not limited to, magazines, newspapers, mail, pizza, (or other food items), farm animals or produce, limousine or taxi services; or other livery services (including but not limited to vehicles used to transport nursery or school children, migrant workers, hotel/motel guests, patients or members of a van/car pool) or emergency vehicles;
 - d. Vehicles used for a courier or escort service;
 - e. Vehicles used for towing.
- D. Artisan Use – Artisan Use surcharge will apply
- I. Artisan use vehicles are acceptable in this program, if **all** of the following conditions are true:
 - a. The operator must be an artisan. An artisan is a person that performs a craft or trade (e.g. carpentry, plumbing, masonry). A distribution, retail, or delivery business does not qualify as a craft or trade.
 - b. The insured visits no more than three (3) job sites per day.
 - c. The insured does not carry more than 500 pounds of supplies or equipment.
 - d. The vehicle is owned or leased by an individual, not a corporation or partnership.
 - e. Only the named insured or other resident relatives listed as drivers on the policy operate the vehicle.
 - f. The vehicle is not used to pick up or deliver goods or property for the sole purpose of distribution, resale or delivery. Any goods or property pickup or delivery must be items used by the operator at a job site in the performance of the operator's craft or trade.
 - g. No more than one (1) such vehicle listed as Artisan Use is on the policy.
 - h. Any signage on the vehicle relates only to the insured's business.

Note: As indicated under Unacceptable Vehicle Use, the insured may not transport explosives, chemicals, radioactive materials or flammable substances.

Rule Number: V03

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Rule Description: Vehicles with Physical Damage

At least two clear photos showing all four sides of the vehicle are required. On brand new and previously unused vehicles, a sales contract showing retail delivery date within 48 hours of requested effective date may be submitted in lieu of photographs.

Rule Number: V04

Rule Description: Model Year

The model year of the private passenger automobile is the year assigned by the original automobile manufacturer. If the auto is rebuilt or structurally altered, then the model year of the chassis determines the model year of the automobile. Model year changes on October 1st.

MISCELLANEOUS

Rule Number: M01

Rule Description: Rounding Rule

Premiums are rounded to the nearest whole dollar, separately for each coverage provided by the policy. Premiums involving \$.50 or more are rounded to the next whole dollar. Premiums of \$.49 or less are rounded down. Rounding occurs as the final step in the order of premium calculation.

Rule Number: M02

Rule Description: Change of Vehicle

The company must be notified within thirty (30) days following the date of acquisition of the replacement vehicle. If additional coverage is required, the company must also be notified before the coverage will apply.

Rule Number: M03

Rule Description: Newly Acquired Vehicles

When adding a newly acquired vehicle to the policy coverage is effective the date the vehicle is acquired assuming it is reported to Clear Spring Property and Casualty within thirty (30) days of taking possession of the newly acquired vehicle. The newly acquired vehicle will have the same liability coverages of the other vehicles on the policy.

For vehicles requiring Collision and Comprehensive coverage, the company needs to be notified on the day of acquisition for coverage to be bound and Rule Number V03 applies as well.

Rule Number: M03

Rule Description: Change of Deductibles

Deductibles can only be decreased mid-term provided two clear photos showing all four sides of the vehicle accompany the request and approval by an underwriter is granted

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Discount Factors

Item	Definition	Discount	Factor	Applies to:
1	Multi-Car	Y	0.90	BI, PD, CP, CL
		N	1.00	
2	Renewal	Y	0.80	BI, PD, CP, CL
		N	1.00	
3	Transfer	Y	0.85	BI, PD, CP, CL
		N	1.00	
4	Good Driver	Y	0.90	BI, PD, MP, CL
		N	1.00	
5	Good Student	Y	0.95	BI, PD, MP, CL
		N	1.00	
6	Defensive Driving	Y	0.90	BI, PD, MP, CL
		N	1.00	
7	Paid-in-full	Y	1.00	All Coverages
		N	1.00	
8	Excluded Punitive Damages	Y	0.95	BI, PD ONLY
		N	1.00	
9	Homeowners Discount	Y	1.00	All Coverages
		N	1.00	

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Points Determination

Experience Period for Chargeable violations and Accidents is 35-months

Category	1st Occurrence	2nd Occurrence	3rd Occurrence
Chargeable Accidents	3	6	7
Major Violations	3	6	NA
Minor Violations*	2	2	2
Minor Violations	1	1	1

Ineligible

More than 12-points

* Refer to underwriting guidelines for Minor Violations that are charged two points.

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