Private Passenger Automobile Program

Underwriting Guide

April 2007

MISSISSIPPI
GENERAL INFORMATION

AVAILABLE COVERSAGES

Bodily Injury and Property Damage Liability
Bodily Injury limits: $25,000 each person / $50,000 each accident
Property Damage limits: $25,000 each accident

All vehicles on the policy must carry the same liability limits. Property Damage limit may not exceed the per person Bodily Injury limit. The following limits are available ($000’s):

25/50/25

Uninsured Motorists Coverage
Uninsured Motorist Bodily Injury (UMBI) can not exceed the limits chosen for bodily injury. Uninsured Motorist Property Damage (UMPD) can not exceed those chosen for PD. A $200 deductible applies to UMPD losses. The following limits are available ($000’s):

UMBI limits: 25/50
UMPD limits: 25

Medical Payments Coverage
Medical Payments (MP) is an optional coverage that pays for reasonable and necessary medical and funeral expenses for covered persons. These expenses must be incurred as a result of an auto accident. If selected, Medical Payments coverage must be written for all vehicles on the policy at the same limit. The following limits are available: $500, $1,000 or $2,000.

Physical Damage Coverage
Physical damage coverage cannot be written without statutory liability coverage. Collision (COLL) and Other Than Collision (OTC) coverages, when selected, must be written together on the same vehicle.

<table>
<thead>
<tr>
<th>COLL Deductible Options</th>
<th>OTC Deductible Options</th>
</tr>
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<tbody>
<tr>
<td>$250</td>
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</table>

Special Equipment Coverage
Special Equipment coverage may be written only when Collision and Other Than Collision coverage are selected. Special Equipment items must be listed separately. Receipts showing original purchase price of insured items must accompany coverage request. Maximum total value of Special Equipment coverage is $5,000 per policy. All Special Equipment losses are subject to a $50 deductible.

Loss of Use Coverage
Loss of Use coverage may be written only when Collision and Other Than Collision coverages are selected. If selected, Loss of Use coverage must be written for all vehicles with physical damage coverage. Loss of Use limits are $30 per day, up to 30 days, maximum of $900 per occurrence.

Accidental Death and Dismemberment Coverage
This coverage is written for named insured(s) only, in conjunction with BI/PD Liability Coverage. Limits are available in $1,000 increments up to $10,000.
BINDING AUTHORITY

Binding applies to new business applications provided any application meets the published underwriting guidelines and is submitted without omissions and with the required down payment. Binding applies to endorsements provided any endorsement request is completed and submitted with the required down payment. If an additional premium endorsement is submitted without acceptable down payment, binding becomes effective upon company issuance.

Any application or endorsement submitted which does not meet the specified underwriting guidelines outlined in this manual, or submitted with omissions or without the required down payment will not be bound unless the Company chooses to accept the risk.

If your Producer Agreement grants Binding Authority, binding is granted from the effective date and time of the application, including Saturdays, Sundays and legal holidays. Unless the application or endorsement has been uploaded within three (3) days of the date signed by the applicant or the agent (in the case of endorsements that do not require an applicant’s signature), coverage will be bound effective 12:01AM Standard Time on the date after the application is uploaded.

CLAIMS

Agents must immediately notify the Company of all losses reported by insureds or claimants. Immediate notification of all liability losses helps reduce damages. All losses should be reported directly to our Claims Department between the hours of 7:00 a.m. and 6:00 p.m. Eastern Standard Time at any of the numbers listed below:

(888) 223-8409
(888) 580-8134
(678) 996-0110

All Claims correspondence should be addressed to:
PO Box 725009
Atlanta, GA 31139-0009

COMMISSIONS

Commissions will be paid by the 15th of each month for all premiums posted during the preceding month. Commissions are not paid on any fees.

FEES

All fees are fully earned and no commission is paid on fees.

- **Policy Fee** (6-month) - A $15.00 Policy Fee is required on all new business and renewals.
- **Installment fee** - A $8.00 installment fee is applicable to each installment on a direct bill pay plan. A $4.00 installment fee is applicable to each installment on an electronic withdrawal plan.
- **Late Fee** - A $10.00 Late Fee is charged if the minimum payment is postmarked after the due date.
- **Reinstatement Fee** - A $20.00 Reinstatement Fee is applied if the company agrees to reinstate a policy after the cancellation effective date.
- **NSF Fee** - A $20.00 Insufficient Funds Fee is taken for all checks returned to the company as uncollectable, regardless of reason for payment denial.
- **Cancellation Fee** - A $50.00 cancellation fee will be assessed for all insured requested and non-payment cancellations.
DOWNPAYMENT OPTIONS

Low down payments are available on 6-month and 12-month policy terms.

A down payment of up to 33% is required on any additional premium endorsement for 6-month policies. The actual % is determined based on where the policy is at during a billing cycle. No down payment is required for policies on electronic withdrawal (EFT/CC) pay plans as the additional premium will be spread equally across remaining installments. The entire additional premium is required for paid in full policies.

Please remember that if a policy terminates for nonpayment of premium as a result of an additional premium endorsement, the apportioned agent commission is charged back. Collecting adequate additional premium could save the agent from losing commission income on premium that would otherwise have been earned.

POLICY PERIOD

Policies are written for a six (6) or twelve (12) month term. Policies are not continuous and will renew only upon payment of renewal premium before the expiration date.

SUPPLIES AND AGENCY CHANGES

Company forms, unless otherwise noted, may be photocopied for use. Any additional supply requests should be directed to AssuranceAmerica’s website at www.AssuranceAmerica.com or your Territory Manager. Please notify the Marketing department of any address, telephone, facsimile, agent or ownership changes promptly. Please remember that the Producer Agreement between the Agency and AssuranceAmerica is not automatically transferred or extended upon agency sale or merger. Notification of changes to the Marketing department will help ensure continuation of binding authority.

WEATHER RESTRICTIONS

Binding authority will be withdrawn for physical damage coverage when the National Weather Service issues a hurricane, tornado, flood, or other similar natural disaster “watch” or “warning” within 100 miles of the location of the proposed risk. The restriction will remain in place until the day following the event for which the notice was intended.
GENERAL PROCEDURES

APPLICATIONS

All applications must be uploaded. All applications must be completed in full without omissions and signed by the applicant. The signature must be witnessed by an authorized producer, as evidenced by the producer's signature on the application in order to secure bound coverage.

All vehicles must be inspected by the agent at the time coverage is bound. Agents may not bind coverage for vehicles with existing damage, other than normal wear and tear that is disclosed on the application, unless authorized by underwriting.

Photos must be taken of all vehicles requesting physical damage coverage. Please take photos from the vehicle’s rear/left side angle and the front/right side angle. Please maintain a hard copy of the photo in the insured’s file or, if taken digitally, the photo can be stored on a computer hard drive located in the agency office. We reserve the right to request photos during agency audits or claims investigations.

BUSINESS USE

Vehicles used in sales or service occupations are considered business use. A vehicle surcharge applies. Any regular use of a vehicle by the insured in the course of their work or occupation constitutes business use and must be declared and rated as such. Examples of acceptable Business Use include vehicles used by insurance agents, doctors, accountants, or other professionals visiting multiple locations. Vehicles classified as business use may not have any logos or commercial advertisements affixed temporarily or permanently to the vehicle.

ARTISAN USE

Vehicles used by an artisan who uses a vehicle only as a means of transportation for the insured and his/her tools to and from the job site is considered artisan use. A vehicle surcharge applies. Any regular use of a vehicle by the insured in the course of their work or occupation constitutes business use and must be declared and rated as such. Examples of acceptable Artisan Use include vehicles used by carpenters, plumbers, brick masons, roofers, or welders.

Vehicles may qualify for business use or artisan use coverage subject to the following:
1. Vehicles must be individually owned; no joint ownership, corporation or other such business entity named as title-holder or registrant.
2. Vehicle may be operated only by the named insured or other licensed resident family members who are listed and rated on this policy. Business associates may not be listed as operators and will be disclaimed if shown to have regular use of, or regular access to the insured vehicle.
3. There may be no pick-up or delivery of goods, including hauling materials and supplies provided from any employer.
4. Vehicles may have no logo or other commercial advertisement or identification affixed temporarily or permanently to the vehicle or its equipment.
5. Insured vehicles may not tow any additional equipment or supply trailer in the course of business use.
6. Vehicles cannot have permanently installed mobile equipment such as hoists, air compressors, pumps, generators, spraying, welding, building, cleaning, lighting, well servicing equipment and ladder racks.
7. Any business involving frequent stops, whether on a regular route or not, such as courier or messenger services, exterminators, debit life insurance sales, are unacceptable.
8. Vehicles used in the course of business, which requires crossing state lines, or in the case of traveling salesmen or representatives, frequent overnight travel outside the state is unacceptable under this program.
9. There may be no more than one (1) business use or artisan use vehicle on the policy.
10. The vehicle is not used to carry passengers.
CANCELLATIONS

Flat Cancellations
Insured requests for flat cancellations are not allowed unless:
1. The company is provided evidence of duplicate, concurrent coverage in the form of a company-generated declaration page, or
2. request for flat cancellation is received prior to the policy effective date, or
3. within 5 (five) business days of the policy effective date, proof is provided that the insured never took ownership of the vehicle

NSF Checks received with New Business Applications:
If any insured passes an insufficient funds check on the original new business application, the company will provide a flat cancellation. A copy of the NSF check is required. Cancellation notices will be sent to the insured, loss payee and agent when the policy is cancelled flat due to a NSF check to the producer or company. Coverage will not be reinstated; rather, a new application must be submitted with certified funds, including the insufficient funds charge.

NSF Checks received with Installment Payments:
On subsequent premium payments, if an insured submits an insufficient funds check to the producer or company, a legal notice of cancellation for nonpayment of premium will be generated. If the policy was pending cancellation at the time the (NSF) payment was applied, the policy will cancel back to the pending cancellation date.

Total Losses
The Company will not automatically cancel a policy as a result of a reported total loss. Cancellation of the policy or of policy coverages must be requested by, and signed for by the insured.

Insured-Elected Cancellations
Insured request cancellations will be processed using the pro-rata method and then reduced by the Cancellation Fee.

Company-Elected Cancellations
Company elected cancellations will be processed using the pro-rata method.

Waiver of Premium
If a policy cancels with a balance due either the insured or the company, the company will waive both payment of balances due or collection of monies owed if the amount is no greater than $5.00. All refunds owed insureds will be paid, regardless of the amount, if requested by the insured.

Nonpayment Cancellation
Direct Bill policies cancel for nonpayment of premium based upon an equity date; no grace periods are provided outside of equity date cancellation. A “Notice of Nonpayment Cancellation” is generated to the insured a minimum of 12 days before a policy is to terminate for nonpayment of premium. Equity cancellations cannot be postponed. Only a payment will rescind an equity cancellation. If a Nonpayment Cancellation Notice has been sent to the insured, payment of the amount due before the cancellation date will automatically extend the policy equity date and bring the policy back into current installment status. Invoices, policy declarations and termination notices are mailed directly to the named insured at the last known address on file with the company.
DIRECT BILL PROCEDURES

Payment Options
Full payment or required downpayment with monthly installments is acceptable. An insured who chooses a monthly payment plan will be given the choice at each billing to pay the remaining policy premium in full and avoid further installment fees.

Installment Invoicing
The first installment payment will be due as early as 23 days from the policy effective date. Subsequent installment payments will be due every 30 days. Regularly scheduled invoices will be mailed at least 15 days before the installment premium is due the company. An installment charge is added to each installment at the time of billing.

New Business
New business down payments must be submitted via EFT. Gross premium must be submitted with the application. Any shortages in down payment resulting from misrate or uprate will be invoiced to the insured separately or added into the next scheduled installment, depending upon the billing date. The balance of any uprate or misrate will be distributed over the remaining installments.

Endorsements
Payment of 33% for 6-month policies or 17% for 12-month policies of any additional premium resulting from a policy change must be included with the endorsement request if binding coverage. The balance of additional endorsement premium will be distributed over the remaining installments. Return premiums owed an insured are first applied to any policy balance, including fees, with the remaining payments reduced by such amount. Refunds over the policy balance will be returned directly to the insured following the termination of coverage as required by law.

Renewsals
If the company offers a renewal, the renewal Declarations Page will be mailed to the insured at least 30 days prior to the expiration date of the current term. An invoice will be mailed to the insured 15 days prior to the renewal effective date. The minimum renewal downpayment premium must be paid before the expiration date of the policy, as witnessed by US postmark. If not received by the company, an ADVICE notice is sent to the agent and loss payee noting the renewal was not taken.

DRIVERS

AssuranceAmerica requires a 36-month verifiable driving record. If any experienced driver is newly licensed in Mississippi, please provide the driver’s prior state’s license number. We will order driving history from multiple states to ensure a 36-month history.

Driver Exclusions
You may exclude the following drivers from the policy:
- A spouse who is not specified as a Named Insured on the Declarations;
- Any person age 15 or older who resides with the applicant or with an insured driver;
- Children temporarily away at school; or,
- Any licensed resident who is temporarily living at another residence.

The named insured must sign the Driver Exclusion Election Form. Driver exclusions apply to all subsequent renewals unless the Company is notified in writing to remove the excluded driver. No more than 2 drivers may be excluded on any policy. You may not exclude a Named Insured or drivers with a SR-22 from the policy.

NOTE: ANY PERSON HOLDING A VALID LICENSE OR LEARNER’S PERMIT, RESIDING IN THE INSURED HOUSEHOLD OR RESIDING ELSEWHERE BUT WITH REGULAR USE OF AN INSURED VEHICLE, MUST BE LISTED ON THE APPLICATION AND RATED AS AN OPERATOR ON THE POLICY, OR OTHERWISE MUST BE EXCLUDED.

FAILURE TO DISCLOSE, EITHER BY MEANS OF RATING OR EXCLUSION, ANY LICENSED RESIDENT OR PERSON WITH REGULAR USE OF AN INSURED VEHICLE WILL SUBJECT THE INSURED TO DENIAL OF 1ST PARTY LOSSES AS WELL AS SUBROGATION ACTION AGAINST THEM FOR ANY CLAIMS THAT MAY BE PAID TO 3RD PARTIES, AS MAY BE REQUIRED BY LAW.
VEHICLES

Vehicles are assigned company defined symbols. For vehicles with a current or future model year that are not yet defined. The company will rate the vehicle similarly to a like vehicle until a symbol is assigned and filed.

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 operator requesting a filing must have a verifiable driving record and can not 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 Mississippi.
4. All vehicles owned by the named insured must be insured through AssuranceAmerica Insurance Company.
5. A fee of $25 will be assessed for issuance of the above filings.

POLICY CHANGES

The Named Insured may be removed from the policy in the following cases:

a. Death – AssuranceAmerica requires a death certificate to remove the named insured; if the surviving spouse is not already listed as a Named Insured, the policy should, at the same time, be endorsed to reflect this change. Named Insureds may not be changed to estates, trusts, executors or other heirs. In these cases, policies should be rewritten to a company accepting such exposures.

b. Divorce – only when the Named Insured being removed willingly signs a request to remove him/herself may the policy be endorsed for this change. Otherwise, the spouse wishing to remain sole Named Insured should have a new policy written in his/her name, removing him or herself from the original policy.

All changes to the policy resulting in a reduction in coverage or deletion of a vehicle require the insured’s original signature, with original signature copies sent to the company for processing and legal storage. When adding a driver and a vehicle, if not a spouse or a youthful operator, we require proof that the vehicle is registered to the Named Insured.

When changing a vehicle, no increase in coverage applies until you have notified our office and paid any additional premium due. If the replacement vehicle is unacceptable and the original vehicle was covered for liability only we will only cover the replacement vehicle for liability. If applicable, a 7-point unacceptable vehicle surcharge will be applied. In all cases, the file will be set for non-renewal.

Any request to delete a driver who no longer resides in the insured household must have the original signature of the named insured. Deleting a Named Insured requires that person’s original signature. A completed driver exclusion form is required to delete a spouse or a driver who remains a resident of the named insured’s household.

Special Provisions for Unacceptable Exposures

a. If an insured or insured vehicle is relocated outside of Mississippi during the policy term, the policy may be surcharged, non-renewed or canceled.

b. If an insured adds an unacceptable vehicle or increases the risk exposure in a manner that would have rendered the risk unacceptable for new business or renewal, the policy may be surcharged seven (7) points, cancelled or non-renewed.

REINSTATEMENTS

Once a policy has been cancelled, it may only be reinstated with prior approval from the company. If approved, a reinstatement fee will be charged against the policy.

Reinstatement of non-pay cancellations will occur only upon approval from and receipt by the Company of the full premiums due the Company, including applicable fees and meeting any underwriting requirements. “Receipt” is deemed to be receipt of verified legal tender of all monies owed. Payment to the agent is not acceptable as payment to the Company once a cancellation is in effect. The Cancellation Fee will be removed from reinstated policies.

DO NOT ACCEPT LATE PAYMENT OF PREMIUM WITHOUT PRIOR APPROVAL FROM THE COMPANY.
UNDERWRITING GUIDES

UNACCEPTABLE RISKS

This Underwriting Guide attempts to identify most unacceptable risks for this program. Certain risk characteristics, in combination with others, may be deemed by the company as unacceptable whether listed in the manual or not.

*** DO NOT BIND ***

UNACCEPTABLE OPERATORS

1. Any risk whose license is permanently suspended, canceled or revoked.
2. Any Named Insured under the age of 18
3. Any operator with daylight, to/from school, business, or to/from medical driving restrictions.
4. Insureds residing outside of Mississippi, permanently, or temporarily for 60 days or more in a calendar year.
5. Military risks not stationed in Mississippi.
6. Any operator with special physical or mental impairments which may interfere with safe vehicle operation.
7. Any operator with more than 30 points.

UNACCEPTABLE VEHICLES

1. Vehicles not registered for public road use.
2. Vehicles not registered and/or garaged at the insured’s residence in the state of Mississippi at least 10 months of the calendar year.
3. Vehicles titled and/or registered in the name of a business, corporation, partnership or proprietorship.
4. Vehicles used to transport persons for a fee (other than customary car pooling or similar shared-ride arrangements).
5. Vehicles used to transport school children, nursery children, senior citizen groups, or other social groups, migrant or day workers.
6. Vehicles used to transport hotel, motel, or public access residence occupants.
7. Vehicles used for any kind of delivery purposes, emergency vehicles and vehicles used for commercial purposes.
8. Vehicles with less than or more than 4 wheels; any four-wheel vehicle in excess of 1 ton.
9. Dune buggies, dragsters, cars used for racing, modified vehicles, kit cars or vehicles with altered suspension.
10. Vehicles over 25 years old.
11. Physical Damage coverage on vehicles with a MSRP >$45,000 and Model Year greater than or equal to 2002.
12. Any all terrain vehicles, panel trucks, campers, and RV-type vehicles or trailers.
13. Those vehicles identified as unacceptable in this manual.
14. More than one (1) business or artisan use vehicle on the policy.
15. More than one (1) vehicle without an assigned driver.

An Unacceptable Operator/Vehicle Surcharge may be applied prior to cancellation if unacceptable operators or vehicles are bound or listed on policy.
UNACCEPTABLE VEHICLES

<table>
<thead>
<tr>
<th>Acura NSX</th>
<th>Dodge Viper</th>
<th>Mercedes-Benz AMGs</th>
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<tbody>
<tr>
<td>Alfa Romeo</td>
<td>Dusenberg</td>
<td>Panza</td>
</tr>
<tr>
<td>Aston Martin</td>
<td>Excalibur</td>
<td>Pantera</td>
</tr>
<tr>
<td>Austin or Jensen Healey</td>
<td>Ferrari</td>
<td>Pinifarina</td>
</tr>
<tr>
<td>Avanti</td>
<td>Ford GT</td>
<td>Porsche Carrera GT</td>
</tr>
<tr>
<td>Bentley</td>
<td>Hummer H1</td>
<td>Rolls Royce</td>
</tr>
<tr>
<td>Berton XL/9</td>
<td>International</td>
<td>Shelby Cobra</td>
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<tr>
<td>Bradley</td>
<td>Lamborghini</td>
<td>Sterling</td>
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<tr>
<td>Bricklin</td>
<td>Lancia</td>
<td>Stutz</td>
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<tr>
<td>BMW Z8 and BMW Z8 Alpina</td>
<td>Limousine</td>
<td>TVR</td>
</tr>
<tr>
<td>Citroen</td>
<td>Lotus</td>
<td>Yugo</td>
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<tr>
<td>Daewoo</td>
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<tr>
<td>Delorean</td>
<td>Maybach</td>
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Non-disclosure of driving records or loss history may lead to voiding for material misrepresentation or cancellation of the policy. The Company reserves the right to void or cancel any policy within the first 60 days for failure to disclose any accident or violation history. Failure to disclose, either by means of rating or exclusion, any licensed resident or person with regular use of an insured vehicle will subject the insured to denial of 1st party losses as well as subrogation action against them for any claims that may be paid to 3rd parties if payment is required by law.

UNDERWRITING EXPERIENCE REPORTS

Motor Vehicle Reports are required for all licensed operators in the insured household for each risk. If you do not provide us with an MVR and our order is returned to us from the state as “Unable to Locate Number” with the number provided the company on the application, the policy will be set to cancel. Cancellation may be avoided if a valid MVR is provided prior to the policy cancellation date. To eliminate the chance of such cancellations, please provide a copy of drivers’ licenses or a copy of the MVR at the time of application or driver additions.

Claim Activity Reports and Licensed Operator Checks are used to supplement and verify information provided on applications. It is important for the agent to advise his insureds to disclose all loss activity and licensed operators in his household to ensure there will not be the opportunity for coverage denial based on material misrepresentation, or coverage disqualification and cancellation.
RATING PROCEDURES

Rates are determined by classifying risks by driver age, gender, marital status, licensing date, garaging zip code location and vehicle or risk surcharges and/or discounts. Driving record points, including both accidents and violations, are assigned from activity during the most recent 36-month period prior to the end of the 60 day underwriting period, following the effective date of coverage.

UNDERWRITING CRITERIA

The following criteria is used to determine an underwriting factor and a tier factor.

Prior Insurance
Prior insurance is used to determine underwriting tier. To qualify as having “Prior Insurance”, the insured must have:

a. Continuous coverage with a carrier other than AssuranceAmerica Insurance Co and have a lapse in coverage no greater than 30 days.

b. Proof of prior insurance for the 6-month period immediately preceding the AssuranceAmerica effective date in the form of a company-generated declaration page, renewal bill, letter from the carrier, or acceptable verification from an agency management system.

c. Adequate proof of prior insurance must be collected and faxed within 24 hours after an application is uploaded. We accept current or renewal declaration pages, renewal offers, letters from carriers, and data from agency management systems. If adequate proof is received and we find through reports that the policy cancelled prior to the expiration date, the prior insurance qualification will be removed.

Number of Excluded Drivers
The total number of excluded drivers is used to determine underwriting tier.

Insurance Score
The insurance score obtained for the named insured is used to assign an Insurance Score Level used to determine the tier factor.

DEFINITIONS

Accidents
All accidents, regardless of driver fault, must be declared on the application for insurance. Each accident is considered “AT FAULT” and will be counted in the point assessment unless satisfactory evidence is submitted with the application showing it to be one of the following “NOT AT FAULT” conditions:

a. Vehicle was legally parked, or legally stopped for traffic or a signal

b. Vehicle collided with a bird or animal on a public roadway

c. Reimbursement from, or judgment against other party was obtained (providing insured’s company made no payment on his behalf)

d. The insured acted in his capacity as a law enforcement, fire fighter or emergency medical technician and was lawfully engaged in the performance of official duties, or driving an official vehicle and furnishing proof, in the form of copies of the employing agency’s documents to the Company.

All comprehensive and non-chargeable incidents must be listed on the application.

Marital Status
Married means legally married. Common law marriage will not be considered legally married for rating purposes and for assuming certain policy rights. Single means not legally married; cohabitation does not constitute legal marriage for purpose of rating risks and for assuming certain policy rights.

Non-Owners Coverage
Non-Owners coverage may be written for individuals who do not own any vehicles, have possession of any vehicles or have any vehicles provided for their regular or frequent use (defined as using the vehicle 5 or more times in the policy period). Use designated model year and symbol assignment to rate non-owners. CMP, COL, and UMP are not available on a non-owner policy.

NOTE: IF INSUREDS MAINTAIN DIFFERENT SURNAMES, PROOF OF MARRIAGE IS REQUIRED AT THE TIME OF APPLICATION OR ENDORSEMENT. OTHERWISE, INSURED WILL BE RATED AS SINGLE PERSONS.
DISCOUNTS
Discounts will be applied to each insured vehicle based on these Discount criteria:

Early Shopper Discount
A discount applies when a policy is uploaded prior to the effective date of the bound policy. The discount is only applicable to insureds that also qualify for a Prior Insurance discount with no lapse in coverage.

Multi-Car
To qualify for the “Multi-Car” discount, the policy must have:
   a. More than one vehicle insured on the policy.
   b. All vehicles must be insured under the same AssuranceAmerica policy.

Homeowner’s Discount
A discount applies when the Named Insured provides proof that they own a home and live in the home. The Named Insured must be the legal homeowner. “Home” is defined as a single family house, duplex, condominium, or townhouse. Proof of homeownership must accompany the application. Examples of acceptable proof include the title, tax bill, or the declarations page of a homeowner’s insurance policy. Additional documentation may be required to verify that the home is an eligible structure.

Paid In Full Discount
A discount applies if 100% of the quoted policy premium and fees are paid at the point of sale.

EFT Discount
A discount applies if a pay plan with automatic withdrawal is selected.

Safe Driver Discount
A Safe Driver Discount applies to all vehicles where all drivers in the household are accident and violation free for the immediate 36 month period preceding the effective date of the policy.
POINT DEVELOPMENT

For rating purposes, evaluate each operator’s record for the past 36 months, using violation and accident occurrence date. Points are charged for each accident appearing on the MVR, developed on the application, previously reported to the company, or developed through other reporting agencies.

The highest rated operator is rated on the highest rated vehicle. If there are more vehicles than operators, please inquire further for undisclosed operators. Coverage may be voided if licensed drivers in the household are not disclosed.

POINT SCHEDULE

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<thead>
<tr>
<th>Violation Category</th>
<th>First</th>
<th>Second</th>
<th>Each Add’l</th>
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<tbody>
<tr>
<td>Major</td>
<td>4</td>
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<tr>
<td>Minor</td>
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<tr>
<td>At-Fault Accident</td>
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<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Not-At-Fault Accident/Comp Claims/Non-chargeable</td>
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<td>0</td>
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<tr>
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<tr>
<td>Speed</td>
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<tr>
<td>Unacceptable Risk/Exposure**</td>
<td>7</td>
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<td>N/A</td>
</tr>
</tbody>
</table>

** The Unacceptable Risk/Exposure surcharge will be applied only to those bound risks where underwriting evaluation, reports or inspections determine unacceptability to the AssuranceAmerica program and where the additional risk exposure and/or volatility cannot be compensated for in AssuranceAmerica’s rate structure for acceptable risks. These unacceptable risks, once determined, will be surcharged and processed for cancellation or non-renewal as quickly as may be allowed under Mississippi law. The surcharge is meant only to compensate for the additional exposure during the coverage period up to cancellation or non-renewal, and is not an alternative to be applied in lieu of cancellation or non-renewal of the risk.

Unverifiable License Surcharges

An International/Foreign Driver’s License Surcharge will be applied to an operator who does not submit proof of an U.S. license. An International or Foreign License should be submitted with the application.

An Unverifiable Driving Record Surcharge will be applied to an operator if an MVR is not available.

An Inexperienced Operator Surcharge will be applied to any operator aged 21 or older if the operator has less than three years’ driving experience.
### VIOLATION CATEGORIES

The chart below is a reference chart and does not reflect all possible violations.

<table>
<thead>
<tr>
<th>Description</th>
<th>Violation Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driving Under the Influence Refusal to Submit</td>
<td>Alcohol/Drug</td>
</tr>
<tr>
<td>Accident At-Fault</td>
<td>At-Fault Accident</td>
</tr>
<tr>
<td>Display Altered/Fictitious License</td>
<td>Major</td>
</tr>
<tr>
<td>Driving with Suspended License</td>
<td></td>
</tr>
<tr>
<td>False Report</td>
<td></td>
</tr>
<tr>
<td>Felony with a Motor Vehicle</td>
<td></td>
</tr>
<tr>
<td>Fleeing to Elude Police</td>
<td></td>
</tr>
<tr>
<td>Hit &amp; Run</td>
<td></td>
</tr>
<tr>
<td>Leaving Scene of Accident</td>
<td></td>
</tr>
<tr>
<td>Obstructing an Officer</td>
<td></td>
</tr>
<tr>
<td>Racing</td>
<td></td>
</tr>
<tr>
<td>Reckless/Negligent Driving</td>
<td></td>
</tr>
<tr>
<td>Careless/Improper Driving</td>
<td>Minor</td>
</tr>
<tr>
<td>Child Restraint Violation</td>
<td></td>
</tr>
<tr>
<td>Defective Equipment</td>
<td></td>
</tr>
<tr>
<td>Driving in Unsafe Conditions/Improper Equipment</td>
<td></td>
</tr>
<tr>
<td>Driving Too Fast for Conditions</td>
<td></td>
</tr>
<tr>
<td>Driving Without a Valid License</td>
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<tr>
<td>Driving Without Lights</td>
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<tr>
<td>Driving Wrong Side of Road</td>
<td></td>
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<tr>
<td>Driving Wrong Way</td>
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</tr>
<tr>
<td>Failure to File Report</td>
<td></td>
</tr>
<tr>
<td>Failure to Obey Traffic Device</td>
<td></td>
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<tr>
<td>Failure to Signal</td>
<td></td>
</tr>
<tr>
<td>Failure to Yield</td>
<td></td>
</tr>
<tr>
<td>Following Too Closely</td>
<td></td>
</tr>
<tr>
<td>Lane Changing Violation</td>
<td></td>
</tr>
<tr>
<td>Learner License Violation</td>
<td></td>
</tr>
<tr>
<td>Minor Violation</td>
<td></td>
</tr>
<tr>
<td>Obstructing Traffic</td>
<td></td>
</tr>
<tr>
<td>Passing Stopped School Bus</td>
<td></td>
</tr>
<tr>
<td>Running Stop Sign</td>
<td></td>
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<tr>
<td>Seat Belt Violation</td>
<td></td>
</tr>
<tr>
<td>Turning Violation</td>
<td></td>
</tr>
<tr>
<td>Expired Operators License</td>
<td>No Charge</td>
</tr>
<tr>
<td>Expired Tag</td>
<td></td>
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<tr>
<td>Failure to Change Address/Name on License</td>
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<tr>
<td>Suspended License</td>
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</tr>
<tr>
<td>Accident Not-At-Fault</td>
<td>Non-Chargeables</td>
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<tr>
<td>Comp Claims</td>
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</tr>
<tr>
<td>UM claims</td>
<td></td>
</tr>
<tr>
<td>Speed</td>
<td></td>
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</tbody>
</table>