



*Underwritten by Elephant Insurance Company*

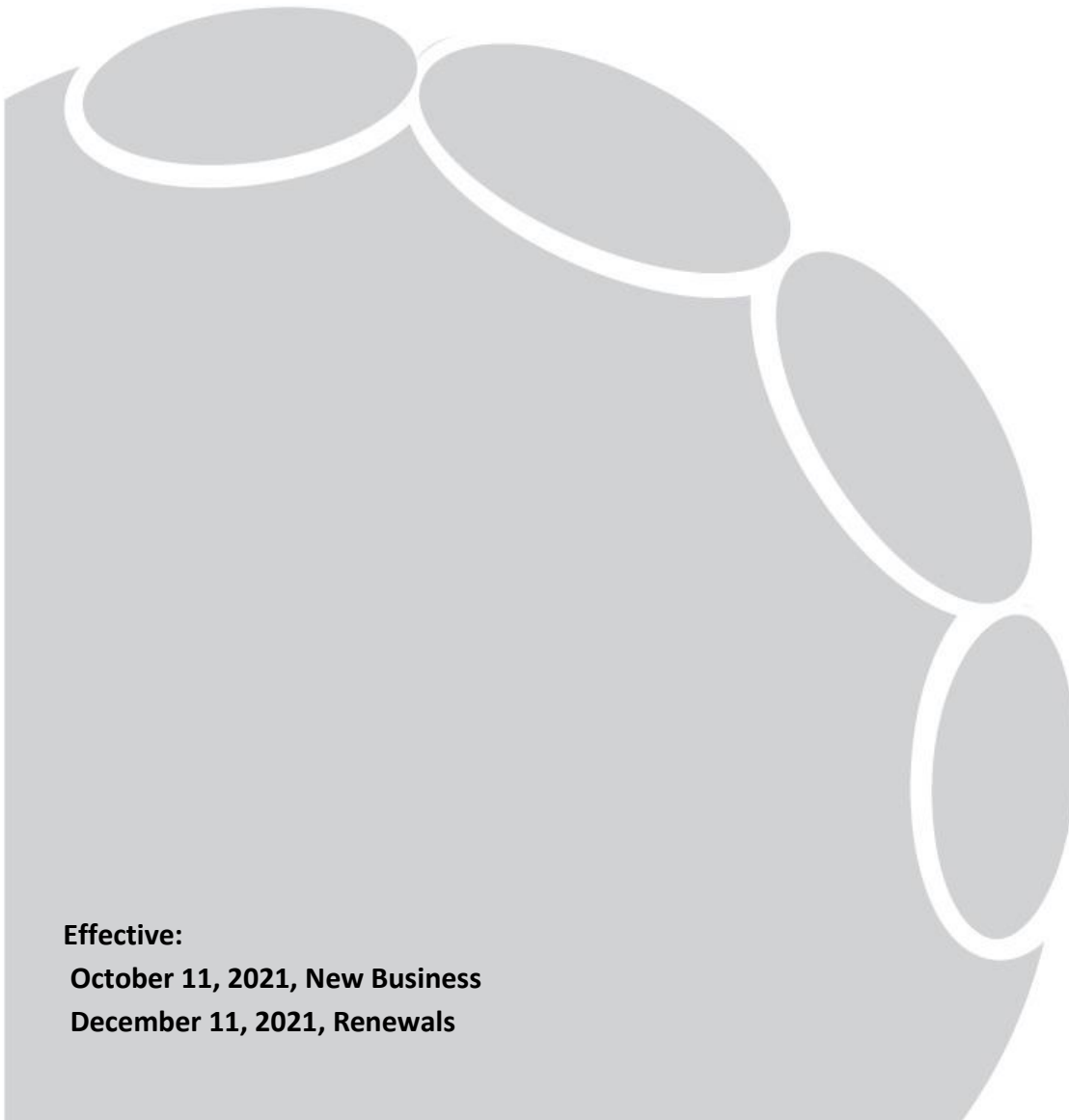
Elephant Insurance Company  
PO Box 5005  
Glen Allen, VA 23058-5005

# Underwriting Guidelines

**Effective:**

**October 11, 2021, New Business**

**December 11, 2021, Renewals**



### Underwriting Guidelines

Only private passenger automobiles are acceptable under our program. However, the following risks are not acceptable:

- 1) Named Insured's who have never been licensed.
- 2) At New Business, named insured has an unsatisfied, outstanding balance with the Admiral Group PLC, Elephant Insurance, or Apparent Insurance. This guideline shall not apply if the named insured satisfies their outstanding balance prior to purchasing the policy. This standard does not apply at renewal.
- 3) Vehicles that do not have a physical garaging address, a PO Box may not be used as a garaging address.
- 4) Conversion Vehicles
- 5) Vehicles for which the Named Insured or spouse are not the owner of the vehicle.
- 6) Vehicles used for:
  - a) racing;
  - b) carrying persons or property for compensation or a fee, including, but not limited to: limousine, taxi, or other livery services (does not apply to shared expense car pools), pickup or delivery of magazines newspapers, food, or any other products;
  - c) lease or rental to others by the applicant;
  - d) emergency services; or
  - e) business use that does not meet the acceptable use standards in the Vehicle Use Definitions Rule (V01) of the Personal Auto Rates and Rules Manual.
- 7) Vehicles:
  - a) equipped with altered suspensions, which are suspensions that are homemade, custom-built, or modified, and include lift kits greater than 4 inches (usually installed on off-road vehicles or street rods). However, lift kits of 4 inches or less, low riders with hydraulics, kit cars, and dune buggies are acceptable if registered for street use;
  - b) equipped with snowplowing equipment and used for business purposes;
  - c) not registered for street use;
  - d) that are Grey Market;
  - e) that are equipped with cooking equipment or bathrooms;
  - f) that have more than \$20,000 of custom parts or equipment;
  - g) used to transport explosives, chemicals, flammable materials, or more than 500 pounds of supplies or equipment, that have in excess of nine passenger seats;
  - h) with Towing coverage that are not in running condition; or
  - i) that we determine to be too exotic, expensive, or unique.
    - i. Refer to underwriting for a list of prohibited vehicles.
  - j) that have a title brand are ineligible to be added to a policy if the brand occurred less than one year from the start of a policy with the Company;
  - k) that have a title brand are ineligible for Comprehensive and Collision coverage if the brand occurred one year or more from the start of a policy with the Company;
  - l) that have been reported to a state DMV as stolen, reported to an insurance company as missing, or reported as recovered from a theft are ineligible to be added to a policy if the this occurred less than one year from the start of a policy with the Company;
  - m) that have severe damage indicators such as being sold at a salvage auction, having an airbag deployment, being on a police report indicating an accident with severe damage, or having been associated with an insurance total loss payout are ineligible to be added

- to a policy if this occurred less than one year from the start of a policy with the Company;
- n) that are currently insured under a different private passenger automobile insurance policy with the Admiral Group PLC.
- 8) GEM, THINK, Micro-trucks, and other low-speed vehicles that have a maximum speed less than 55 mph.
  - 9) Commercial vehicle types including, but not limited to, step-vans, panel vans, parcel delivery vans, or cargo cutaway vans or other vans with cabs separated from the cargo area.
  - 10) Policies where vehicles are generally garaged at a commercial location.
  - 11) Policies where all vehicles are generally garaged out of state.
  - 12) Vehicles that have a principal out of state garaging location in Michigan or Canada.
  - 13) Policies that have vehicles garaged at two different addresses and drivers in two different households, with the following exceptions:
    - a) student or military risks (e.g., spouse of insured/unmarried child of insured;
    - b) named insured has two different households (e.g., one permanent home and one vacation home);
    - c) drivers who live at different addresses, but all vehicles are garaged at one place; or
    - d) husband/wife in the process of divorce and the vehicle is still considered community property.
  - 14) Any vehicles regularly available to:
    - a) non-listed drivers;
    - b) drivers with suspended licenses;
    - c) drivers who are unlicensed or do not hold a valid permit;
    - d) drivers who are under the minimum age for state licensing;
    - e) drivers who have more than two major convictions (including DUIs) in the last three years;
    - f) drivers who have more than four At-Fault or chargeable accidents in the last 3 years;
    - g) drivers who have more than four Not-At-Fault or non-chargeable accidents in the last 3 years;
    - h) drivers who have a NY, NJ, MI, LA, Washington D.C. or FL license.
  - 15) Policies that have more than four At-Fault or chargeable accidents in the last three years across all rated drivers.
  - 16) Policies that have more than one PIP claim in the last three years across all rated drivers.\*
  - 17) Policies that have more than two PIP claims in the last three years across all rated drivers.\*\*
  - 18) An Insured requiring a financial responsibility form in a state in which the Company is not licensed to do business.
  - 19) Applicants or Insureds who have been convicted of fraud.
  - 20) Applicants who have had a policy canceled or non-renewed by the Company for, or who have committed, fraud or misrepresentation in connection with an application for insurance or in the presentation or settlement of a claim.
  - 21) Applicants who have had a policy canceled or non-renewed by the Company because of, or who have issued, a fraudulent unauthorized payment in connection with an application for insurance or a policy.
  - 22) Two or more private passenger automobile insurance policies written for the same household, with the following exceptions:
    - a) children who own their own vehicle; or
    - b) unrelated residents/roommates.

- c) Policies for antique vehicles or vehicles we do not insure because they are unacceptable based on Item F.
- 23) Ineligible – Lack of adequate information required for determining eligibility and/or rating not provided by the Applicant.
- 24) The following point system will be used solely to determine policy eligibility. Points will be aggregated on a policy level. Only convictions and accidents for rated drivers that occurred in the last 3 years will be taken into consideration.
  - a) Points will be applied as follows
    - i. Minor speeding conviction: 1
    - ii. First DUI: 2
    - iii. Additional DUIs: 5
    - iv. Major Conviction: 5
    - v. First accident: 3
    - vi. Additional accidents: 5
  - b) New business point limit is 20 per policy
  - c) Renewal point limit is 25 per policy
- 25) Policies that have more than 2 UM/UIM claims in the last 3 years across all rated drivers.\*\*

\*Denotes guideline only applicable at new business.

\*\*Denotes guideline only applicable at renewal.