

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 has an outstanding balance with the Admiral Group PLC, Elephant Insurance, or Apparent Insurance.
- 2) Vehicles that do not have a garaging address, a PO Box may not be used as a garaging address.
- 3) Conversion vehicles.
- 4) Named Insureds that have never been licensed.
- 5) Vehicles for which the Named Insured, spouse, or resident of the insured household are not the owner of the vehicle.
- 6) Named Insured or an insured driver on the policy allows an unlicensed person to operate an insured vehicle.
- 7) Vehicles used for:
 - a) racing; or
 - 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; or
 - c) lease or rental to others by the Applicant; or
 - d) emergency services; or
 - e) business use that does not meet the acceptable use standards in the Vehicle Use Definitions (V01) of the Personal Auto Rates and Rules Manual.
- 8) 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; or
 - b) equipped with snowplowing equipment and vehicle is used for business purposes; or
 - c) not registered for street use; or
 - d) that are Grey Market; or
 - e) equipped with cooking equipment or bathrooms; or
 - f) that have more than \$20,000 of custom parts or equipment; or
 - 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; or
 - h) with Towing coverage that are not in running condition; or
 - i) that have a branded title where the title branding occurred less than one year from the start of a policy with the Company
 - j) that have a branded title are ineligible for Comprehensive and Collision coverage if the brand occurred one year or more from the start of a policy with the Company;
 - k) 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;
 - l) 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;

- m) that are currently insured under a different private passenger automobile insurance policy with the Admiral Group PLC.
- 9) GEM, THINK, Micro-trucks, and other low-speed vehicles that have a maximum speed less than 55 mph.
- 10) Commercial vehicle types including, but not limited to, step-vans, panel vans, parcel delivery vans, or cargo cutaway vans or other vans with cabs separate from the cargo area.
- 11) Vehicles that are owned or leased by a partnership or corporation, unless:
 - a) the vehicles are customarily operated by the Named Insured or a resident relative for pleasure or commuting;
 - b) all drivers are household members and are listed on the policy;
 - c) no more than four such vehicles are owned or leased by the partnership or corporation; and
 - d) the partnership or corporation does not engage in a business of:
 - i. 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; or
 - ii. selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles.
- 12) Policies where the vehicle(s) are generally garaged at a commercial location.
- 13) Policies where all vehicles are generally garaged out of state.
- 14) 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.
- 15) Vehicles that have a principal out of state garaging location in Michigan or Canada.
- 16) Any vehicles regularly available to:
 - a) non-listed drivers;
 - b) operators/drivers not possessing a current, valid driver's license or learner's permit;
 - c) drivers that are under the minimum age for state licensing;
 - d) drivers who have more than two driving under the influence convictions in the last three years;
 - e) drivers who have more than two major convictions (including DUIs) in the last three years;
 - f) drivers who have more than four Chargeable Type 1 accidents in the last three years;
 - g) drivers who have more than four Chargeable Type 2 accidents in the last 3 years;
 - h) drivers who have a NY, NJ, LA, or FL license.
- 17) Policies that have more than four Chargeable Type 1 accidents in the last three years across all rated drivers.
- 18) Policies that have more than two PIP claims in the last three years across all rated drivers.
- 19) 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 5 years will be taken into consideration.

Eff. 10/11/2021

- 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 20 per policy
- 20) Drivers requiring a financial responsibility form in a state in which the Company is not licensed to do business.
- 21) Applicants previously convicted of fraud.
- 22) 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.
- 23) Applicants who have had a policy canceled or non-renewed by the Company because of, or who have issued an unauthorized payment in connection with an application for insurance or a policy.
- 24) 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; or
 - c) policies for antique vehicles or vehicles we do not insure because they are unacceptable based on Item 7 or 8; or
 - d) the vehicle is a rental vehicle and the Named Insured is an employee of Admiral Group PLC or its subsidiaries.
- 25) Ineligible – lack of adequate information, lack of information required for determining eligibility and/or rating not provided by the Applicant.
- 26) Vehicles that are exotic, expensive, or unique in nature are generally unacceptable:
- a) Symbols for rating are unavailable due to lack of data; or
 - b) Manufacturer's Suggested Retail Value (MSRP) in excess of \$100,000; or
 - c) Increased risk of total loss due to other vehicle characteristics such as higher horsepower, racing trims, or personal protection builds; or
 - d) Vehicles deemed too unique due to limited parts availability or lack of recent manufacture