



MGA Insurance Company, Inc.

GEORGIA
Personal Auto Program
Rule Manual

Effective:
September 19, 2021 New Business
November 18, 2021 Renewal Business

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Company Contact Information

Customer Service

Phone

866-GAINSCO (424-6726)

Fax

800-532-3522

Claims/First Notice of Loss

Website

GAINSCO.com

Phone

800-699-1561

Fax

800-699-1560

Marketing/Agent Support

Phone

866-GAINSCO

Agent Portal Website

GAINSCOconnect.com

Help Desk/Technical Support

866-GAINSCO

Mailing Address

GAINSCO Auto Insurance®

PO Box 199023

Dallas, TX 75219

Agent Information

This manual is designed to provide our Agents with the necessary qualification and rating requirements for GAINSCO Auto Insurance® applicants. All submissions may be reviewed and underwritten based on their individual merits. This manual addresses minimum requirements and has been designed to provide information for the majority of eligibility and classification decisions encountered. For situations not addressed within these pages, or **IF IN DOUBT, PLEASE CALL CUSTOMER SERVICE BEFORE BINDING.**

BINDING AUTHORITY – NEW BUSINESS

Agents have immediate binding authority in accordance with all the rules and procedures set forth in this manual. Agent must be a duly authorized Agent of MGA Insurance Company, Inc. (“Company”).

The following conditions must be met:

- All of the information entered into GAINSCOconnect.com must be submitted to the Company using the GAINSCOconnect.com website.
- The application is completed in its entirety and all required documentation is obtained from the applicant, including but not limited to: a signed and completed application with exclusions and rejections as appropriate, documentation for any discounts, and vehicle inspection form(s) if applicable.
- The risk is not defined as being unacceptable in this manual.
- The appropriate down payment or full premium and any applicable fees are collected from the applicant and submitted to the Company.

Coverage is not bound and is considered null and void if the applicant’s down payment is returned by the bank or financial institution. Please notify the Company immediately upon receipt of notice of returned payment from the applicant’s bank or financial institution.

If an application is submitted with an incorrect driver class, surcharge, discount, etc. or without the required proof for a specific discount, the policy will be adjusted to reflect the appropriate rate level according to the rules set forth in this Personal Auto Program Rule Manual. Such adjustment will be applied as of the effective date of the policy.

BINDING AUTHORITY – ENDORSEMENTS

Endorsements shall be processed online at GAINSCOconnect.com. Endorsements processed online will detail any additional premium and any amount to collect and will generate an endorsement confirmation page that may be e-signed by the insured. Otherwise, an endorsement form signed by the named insured must be maintained in the agency’s file. If an endorsement results in a return premium, the insured will be credited and remaining payments will be lowered.

Agents must process endorsements the same day the Agent is notified by the named insured. **AGENTS MAY NOT BACK DATE COVERAGE.** However, Agents do have 72 hours binding authority (3 calendar days) from the time that the insured notifies the Agents. In these cases, the Agent is to send the endorsement to the Company for processing as soon as possible. If more than 72 hours has elapsed, the endorsement becomes effective the date and time of the phone call or fax, or day after postmark when the Agent notified the Company.

SEVERE WEATHER PROCEDURES

All submissions for new business and endorsements on existing policies that have an effect of increasing the company's exposure are suspended from the time the Company places this restriction on GAINSCOconnect.com.

Binding restrictions will not be lifted until notification is received from the Company.

AGENT DUTIES

The Agent must assure compliance with all the Company's underwriting guidelines, procedures and requirements. The Agent is responsible that the entire application package, including exclusions and rejections as appropriate, are reviewed with the Applicant and approved by the Applicant. The Agent is also required to verify the Applicant is the named insured prior to submitting any documents.

All applications must be submitted online using the GAINSCOconnect.com website. If you are unable to rate or bind an application through GAINSCOconnect.com please contact Customer Service or the Help Desk for assistance.

If the premium quoted to any applicant changes as a result of a consumer report, we will generate a letter pursuant to the provisions of the Fair Credit Reporting Act (FCRA). A copy of the FCRA letter must be printed and provided to the applicant.

Agents must obtain the named insured signatures on our Georgia Automobile Application, Offer of Uninsured Motorist Coverage Form, policy forms or statements, and any other documents. Where available, electronic signature is recommended using the GAINSCOconnect.com e-signature process. Other electronic signature services are permissible (e.g. services offered by DocuSign, EchoSign or other electronic signature service providers). The Agent is responsible for providing the Applicant the opportunity to consent to electronic signature. The Agent is responsible for complying with all applicable state and federal e-signature laws. **Only the named insured can complete their e-Signature; the Agent or Agent's representative cannot complete the process for the named insured.**

Agents must follow all documentation requirements provided by the Company or as required by Georgia laws and/or regulations. As such, Agents must keep all documentation that generates at point-of-sale as well as documents that are not Company generated for a minimum of seven (7) years after policy expiration or cancellation, or for the amount of time prescribed by all applicable laws and regulations, whichever is greater. The Agent must make each of the following, where applicable, available for Company review as requested:

- Completed and signed Automobile Application, if e-signature is not used on GAINSCOconnect.com
- Vehicle Inspection Form and/or photos
- Proof of Prior Insurance
- Proof of Homeownership
- Signed household member/driver verification form
- Any document proving accidents were not-at-fault
- Certificate of accident prevention course (for Defensive Driver discount)
- Copy of Student Transcript (for Good Student discount)
- Any endorsement form
- Request Reinstatement/No Loss Statement
- Any other documentation requirements provided by us, or as required by Georgia laws or regulations.

Agents may scan documentation and retain electronic copies to satisfy the documentation requirements. Agents must notify the Company before destroying documentation, and allow the Company the opportunity

to obtain copies before destruction. The Company reserves the right at any time to inspect all applicant files and/or require Agent to submit copies of documentation to us for audit/review purposes.

In the event of a claim being filed regarding an application submitted by an Agency, the Agent is required to comply with all requests for documentation. Agents must also comply with requests for recorded statements or other assistance required for evaluating and processing the claim.

Failure to fulfill any or all of the Agents Duties may result in changes to the Agent's status with the Company, including suspension or termination.

VEHICLE INSPECTIONS

A pre-insurance vehicle inspection form must be completed or photographs must be provided as prescribed below at the time of application for all vehicles insured with Comprehensive and Collision coverages that have existing damage (other than minor, rust-free scratches/dents).

Such vehicles are required to be inspected as follows:

- Verify that the VIN on the dashboard matches the VIN of the registration and application.
- Walk around the vehicle to check for existing damage. For all areas with existing damage, the damage must be clearly described on the inspection form and photos must be taken and maintained with the application.
- Odometer reading must be completed.

In lieu of a completed vehicle inspection form, the following photographs may be obtained and retained with the application:

- Four corner photos: A photograph should be taken of each corner of the vehicle which in total will show the entire exterior of the vehicle.
- VIN: One clear photograph of the VIN plate located on the dash or door.
- Mileage: One clear, legible photograph of the vehicle odometer showing current mileage.
- Damaged Areas: Clear photographs of any existing damage on the vehicle must be obtained.

If a covered loss occurs to a vehicle with existing damage and it is determined that the producer did not actually inspect the vehicle and prior damages are paid for by the Company, the Company reserves the right to make a claim for these previous damages from the Agent.

Exception: Vehicle inspections or photos are not required for new vehicles if a copy of a licensed dealer's bill of sale, invoice or window sticker is retained with the application.

COMMISSION

Refer to the Agency Agreement for the exact commission schedule. The Company reserves the right to alter commission schedules with due notice to agency.

Product Information

COVERAGES & LIMITS

Bodily Injury Liability	\$25,000/person	\$50,000/accident
Property Damage Liability	\$25,000/accident	
Uninsured Motorist Bodily Injury	\$25,000/person	\$50,000/accident
Uninsured Motorist PD	\$25,000/accident with deductible options of \$250, \$500, or \$1000	
Medical Payments	\$500, \$1,000, or \$2,000/person	
Comprehensive & Collision	Deductible options: \$250, \$500, \$750, or \$1000	
Towing & Labor	\$50, \$75 or \$100 /disablement.	
Rental Reimbursement	\$20/day \$600 maximum total benefit; or \$30/day \$900 maximum total benefit; or \$40/day \$1200 maximum total benefit.	
Custom or Additional Equipment	Up to \$5,000 with \$50 deductible. Only available on vehicles with physical damage coverage.	

- Uninsured Motorist Coverage equal to \$25/50/25 must be offered in Georgia and must be included on the policy unless rejected in writing by the applicant. An MGA Insurance Company, Inc. UM election or rejection is incorporated into the application. This form allows the insured to accept or reject Uninsured Motorist coverage, in both available coverage options (Added On to At-Fault Limits and Reduced by At-Fault Limits). This form must be completed in its entirety.
- Comprehensive and Collision must be written together. Deductible amounts on comprehensive and collision coverage must be the same.
- Towing & Labor and Rental Reimbursement coverages may be added to policies without comprehensive and collision coverage.
- Custom or Additional Equipment includes coverage for: custom paint, custom wheels, phone equipment, stereo/sound equipment, video equipment, and navigation/GPS. Photos and receipts are required for Custom or Additional Equipment coverage and should be maintained with the application.

OPTIONAL COVERAGE ENDORSEMENTS

NEWLY ACQUIRED AUTOMOBILE COVERAGE ENDORSEMENT

This endorsement will expand the definition of the insured auto, allowing for an automatic 30-day extension of coverage to a replacement or additional vehicle acquired by the named insured during the policy period. In addition, when the insured auto is temporarily out of service, coverage will be extended to the substitute auto.

EXCLUSION OF COVERAGE FOR PUNITIVE OR EXEMPLARY DAMAGES

The basic policy provides coverage for Punitive or Exemplary Damages. By accepting this endorsement and the discount it provides, you agree that there will be no coverage provided under this policy for Punitive or Exemplary damages. This exclusion of coverage also applies for Punitive or Exemplary damages for which an insured person becomes legally liable because of an auto accident for which coverage is provided under this policy.

CUSTOM OR ADDITIONAL EQUIPMENT

Only standard or optional equipment that is available from the manufacturer for the make, model, and model year of the vehicle is insured under the basic policy. Equipment not originally available from the manufacturer although installed by the dealer or on the vehicle when purchased, is NOT insured. Coverage may be purchased for an additional premium by adding the Custom or Additional Equipment endorsement and specifically scheduling the equipment and associated value.

Custom furnishings or equipment in or upon any pick-up, panel truck or van is NOT insured. This includes but is not limited to: special carpeting or paneling, furniture, custom paint treatments, height extending roofs, snowplows, any camper attachment or body, pick-up caps or special wheels.

A maximum of \$5,000 of add on equipment value is acceptable. A \$50 deductible applies.

UNACCEPTABLE RISKS

The Company reserves the right to make final underwriting decisions on all applications. The following is a general listing of requirements for risks that are acceptable in this program; however, a combination of factors may cause some applications to be unacceptable even if not specifically mentioned in the following information. An Unacceptable Risk surcharge may apply to the policy if after inception an endorsement is processed that makes the risk unacceptable, and the policy may be cancelled or non-renewed in accordance with state law.

VEHICLES

All vehicles must be registered/titled to the named insured and/or his/her spouse, if living in the same household. Otherwise, the holder of the registration/title must be listed as a rated or excluded driver on the policy.

All vehicles must be garaged at the address(es) listed on the application and within the state of Georgia.

UNACCEPTABLE VEHICLES

Make	ASTON MARTIN	AVANTI	BENTLEY	BERTONE
	BLUE BIRD	BRICKLIN	BUGATTI	CODA
	DAEWOO	DAIHATSU	DELOREAN	DINAN
	FERRARI	FISKER	GEM	JENSEN
	LADA	LAFORZA	LAMBORGHINI	LOTUS
	MASERATI	MAYBACH	MCLAREN	MORGAN
	PANTERA	PINANFARINA	PORSCHE	RENAULT
	ROLLS-ROYCE	RUF	SHELBY	SMART
	STERLING	TESLA	THINK	TRIUMPH
	TVR	VPG	WHEEGO	YUGO
Commercial Type	LIMO, MILITARY, FUNERAL, INCOMPLETE, CARGO VAN			
Gross Weight	Above 10,000 LB			
Horsepower	Above 400 HP			
Model Age*	Above 30 years, if physical damage is requested			

- More than four vehicles insured under one policy
- More than two excess vehicles over the number of rated drivers on the policy
- Conversion vans/pickups for physical damage. Conversion vehicles may be issued for liability only, unless the vehicles have plumbing, cooking or refrigerator packages.
- Dune buggies, Baja bugs and/or any other type of ATV or off-road vehicle or any vehicle not licensed for road use
- Motorcycles
- Hearses and limousines
- Gray market, rare, antique, classic, vintage, custom, electric, kit, low production, limited edition, race replica, or show vehicles
- Motor Homes, RVs, Campers, Travel Trailers, or any vehicles with plumbing, cooking, or refrigerator packages
- Vehicles built/designed for, or used in, speed contests
- Flatbed vehicles
- Vehicles designed to carry more than eight people, including the driver.
- Open air vehicles, including those with detachable roofs (except convertibles) not otherwise listed
- Saleen Models
- For Physical Damage, any vehicle with a depreciated base price greater than \$40,000
- For Physical Damage, any vehicle identified as having the following severe problem indicators (as determined by findings of prior events on the vehicle history report):
 - Stolen Vehicle, Reported as Stolen, Recycled Vehicle, Recovered from Theft, Police Severe Accident, Lemon Title, Junk Title, Hail Title, Flood Title, Fire Damage, Dismantled Title, Damage Disclosed, Crash Test Vehicle, Airbag Deployment
- Any vehicle which has been substantially modified in appearance or performance, or mechanically altered; i.e. high suspension or lift kits
- Any pickup, van or utility vehicle that does not have bumpers
- Vehicles with existing damage (other than minor or cosmetic) that do not have Vehicle Inspections where physical damage coverage has been requested.
- Vehicles garaged in Georgia less than 10 months per year.
- More than one policy of insurance in a household unless liability limits and UM limits are equal.

- Vehicles used for business or artisan use.
 - Vehicles used for messenger service, livery service, delivery service, wholesale or retail delivery, hauling merchandise for others, newspaper or retail food delivery, including but not limited to pizza delivery.
 - Livery service includes any form of transporting people for compensation, including but not limited to carpool service for a fee. This does not apply to “share the expense” carpools.
 - Vehicles used in connection with a transportation network company, such as Uber or Lyft
 - Vehicles used in connection with a delivery network company, such as UberEATS, UberRUSH, or Postmates
 - Vehicles used to carry tools or supplies to or from a work site as a job or service.
 - Vehicles titled to a legal entity, DBA, or LLC.
- Vehicles not garaged at the address for which the vehicles are rated, unless the vehicle is away at school in Georgia.
- Vehicles operated by a driver who would be considered an Unacceptable Driver.
- Vehicles which, at the time of application, were involved in an accident on the same day the policy is to become effective. A future effective date must be used.

DRIVERS

The following drivers must be listed on the application. If there are changes during the policy term, an endorsement must be processed reflecting these changes within 14 days of the change.

- List all persons 14 years or older residing with the applicant(s), whether or not they are licensed and/or drive/operate the listed vehicle(s).
- List all regular or occasional operators, and all registered owners/co-owners, of the listed vehicle(s).
- List all children or dependents age 14-20 of the applicant or applicant’s spouse regardless of whether they reside with the applicant(s).
 - Children or dependents in the Armed Services are not required to be listed if a document showing their assignment away from home is submitted. Once this documentation is received and reviewed, the driver can be removed from the policy.
- Each person must be listed as a rated or excluded driver.
- If a person has ever held a Georgia driver’s license, that license must be entered as the driver’s license information.
- The most recent license information must be entered for each licensed driver.
 - A learner’s permit is treated as a license, and such drivers must be listed.

Failure to list all such persons with complete information may constitute a material misrepresentation, which may impact the insured's rights to policy benefits. Should drivers be discovered that have not been disclosed on the policy, we may add them as drivers on the policy and adjust the rate accordingly, including any surcharges or discounts for which they qualify.

EXCLUDED DRIVERS

Any drivers who are excluded on the Named Driver Exclusion must be acknowledged by the signature of the named insured. Drivers may be added as rated or excluded drivers on the policy if they become residents of the named insured’s household during the policy term. A driver may not be excluded if they drive/operate the listed vehicle(s).

UNACCEPTABLE DRIVERS

The following drivers are considered unacceptable:

- More than 8 rated drivers per policy
- Any student residing and/or attending school in a state other than Georgia

- Any operator who is not a resident of the state of Georgia, and/or does not live in Georgia for 10 months per year
- Any operator under the age of 14
- Any named insured under the age of 18
- Any operator with a revoked or cancelled license, unless the driver requires an SR-22/SR-22A filing in the state of Georgia
- Risks with a mailing address outside of Georgia.
- All entertainers, athletes, and celebrities, or any professional individual who is nationally or locally well known to a large segment of the population relative to where the individual resides. This does not apply to public officials.
- Operators with more than two at fault accidents in the 36 months immediately preceding the original effective date of the policy with the Company.
- Operators with more than one alcohol or drug related charge in the 36 months immediately preceding the original effective date of the policy with the Company.
- Operators with more than one major violation in the 36 months immediately preceding the original effective date of the policy with the Company.
- Operators with more than two intermediate violations in the 36 months immediately preceding the original effective date of the policy with the Company.
- Total number of at fault accidents for all operators listed on a policy cannot exceed two in the 36 months immediately preceding the original effective date of the policy with the Company.
- Total number of major violations for all operators listed on a policy cannot exceed two in the 36 months immediately preceding the original effective date of the policy with the Company.
- Total number of intermediate violations for all operators listed on the policy cannot exceed three in the 36 months immediately preceding the original effective date of the policy with the Company.

LICENSE STATE MATRIX

License State/Status	Classification (Corresponds to options on Rater)
Georgia	Georgia with the applicable license status
Other U.S. State (no Georgia license)	Applicable State with applicable license status
Foreign Driver without a US license	Foreign/Non-Usa/Mexico
US Domestic Driver without a US license	Not Licensed

DISCOUNTS

DISCOUNTS REQUIRING DOCUMENTATION

If a discount applies, proof of eligibility must be uploaded to the policy when the policy is bound. If the proof of eligibility for a discount is received after the policy is issued, the discount may be applied on a pro-rata basis.

- **Prior Coverage** – A Prior Coverage Discount will apply to the policy when the named insured provides proof of at least 120 days of prior insurance during the last 180 days immediately prior to their policy effective date.
 - Proof of the prior insurance coverage is required with the application and the binding of coverage unless automatically verified at point of sale.
 - Acceptable proof of prior insurance includes a letter of experience on prior carrier letterhead, Company issued Declaration page, applicable renewal offer or ID card.
 - The Prior Coverage discount will be applied for applicants who did not require automobile insurance during military deployment and would have qualified for this discount prior to deployment. Agent must submit proof of the applicant's policy prior to deployment along with proof of their deployment during the time of lapse.
 - If the insured does not have six months of prior coverage, because the insured was not required by the State of Georgia to obtain insurance for a vehicle, then they will be rated as a First Time Insured.

- Examples:
 - The insured has just newly purchased their first vehicle
 - The insured had a company car and did not need their own vehicle
- **Agency Internal Transfer** – This classification of Prior Coverage Discount will apply to the policy when the named insured is eligible for the prior coverage discount as defined above and the prior coverage was written by the same agency submitting the application to the Company.
 - Proof of the prior insurance coverage and proof that the prior coverage was written by the agency are required with the application and the binding of coverage. The prior policy must have expired on the policy expiration date; midterm cancellations are not acceptable for this discount.
 - Acceptable proof includes those forms of proof available for the prior coverage discount when the agency’s name is shown on the document, and will need to be supplemented with additional documentation when the agency’s name is not shown. Prior GAINSCO Auto Insurance® policies do not qualify for the Agency Internal Transfer Discount.
- **Homeowner Discount** – A discount will apply to the policy when the named insured submits acceptable proof of homeownership for a home, townhome, condominium, or mobile home for the agent to retain on file. The individual identified as the named insured on the auto application must also appear as the owner on the homeowner’s proof. Acceptable forms of proof include a homeowner’s insurance policy declaration page, mortgage statement, property tax records or property deed.
- **Defensive Driver Discount** – A discount will be applied to a policy (liability, med pay, and collision where:
 - All the drivers who are **25 years and older** meet the following criteria:
 - Have committed no traffic offences for the prior three years or since the date of licensure, whichever is shorter;
 - Have no claims based on fault against an insurer for the past three years; and
 - Have completed one of the following types of driving courses in the prior three years:
 - A course in defensive driving of not less than six hours from a driver improvement clinic, commercial or non-commercial driving schools approved by the and under the jurisdiction of the Georgia Department of Public Safety (GDPS).
 - An emergency vehicle operations course at the GDPS Training Center.
 - 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 AARP or AAA and which meets the standards established by the GDPS.
 - 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 GDPS
 - And where all named drivers **under the age of 25** meet the following requirements:
 - Have committed no traffic offences for the prior three years or since the date of licensure whichever is shorter;
 - Have no claims based on fault against an insurer for the prior three years; and
 - Have completed a preparatory course offered to new drivers of not less than 30 hours of classroom training and not less than six hours of practical training by a driver’s training school approved and under the jurisdiction of the GDPS or by an accredited secondary school, or college.
- **Good Student Discount** – A discount will be applied to liability, med pay and collision coverages for each named driver under 25 years of age provided they meet all of the following criteria:
 - Have committed no traffic offences for the prior three years or since the date of licensure whichever is shorter and have no claims based on fault against an insurer for the prior three years.

- Is unmarried and is enrolled as a full time student in high school, college, or vocational-technical school.
 - Is an honor student because the scholastic records for the immediate preceding quarter, semester or comparable segment show that such person
 - Ranks scholastically in the upper 20% of the class
 - Has a “B” or better average
 - Has a 3.0 average of better
 - Is a driver whose use of the automobile is considered by the insurer in determining the applicable classification.
- **Senior Defensive Driver Discount** – This discount applies to all drivers 55 years of age and older who have completed a Motor Vehicle Accident Prevention Course **and who do not have the Defensive Driver discount**. Applies for a three year period from the time the course was taken. The course must meet one of the following criteria:
 - A course in defensive driving of not less than six hours from a driver improvement clinic, commercial or non-commercial driving schools approved by the and under the jurisdiction of the Georgia Department of Public Safety (GDPS).
 - An emergency vehicle operations course at the GDPS Training Center.
 - 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 AARP or AAA and which meets the standards established by the GDPS.
 - 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 GDPS

ADDITIONAL DISCOUNTS

- Auto-Pay Discount – A discount will apply when an Auto-Pay Payment Plan is selected.
- Paid in Full Discount – A discount applies to all policies where the insured pays the premium in full at the inception of the policy period, and no SR-22/SR-22A filing applies. Premium Financed policies are not considered Paid in Full.
- Renewal Discount – A discount may apply, based on the length of time the policy has renewed with GAINSCO Auto Insurance®.
- Advance Purchase Discount – A discount may apply to policies based on the number of days in the future the effective date is from the date the policy is bound.
- Safe Driver Discount – A discount may apply based on: 1) the number of years for which we have a verified driving record for a driver without a chargeable violation or at fault accident (e.g. 1, 2, 3, or N or 0); and 2) the driver’s license state/status. If a driver has experienced a chargeable violation or at fault accident within the last year, he/she is classified with a Safe Driver class of N or 0. Otherwise, a discount is applied based on the number of years the driver has gone without a chargeable violation or at fault accident (e.g. 1, 2, or 3). This discount only applies to drivers for whom the insurer has obtained a driving record of three or more years.

SURCHARGES

Driver points are based on all occurrences and/or violations that have occurred in the thirty-six months immediately preceding the policy effective date. Any accidents listed on a motor vehicle report, application, or other underwriting report will be considered at fault unless a police report or written explanation is provided establishing facts demonstrating lack of fault which are not rebutted by information in the insurer’s file from which the insurer in good faith determines that the insured was substantially at fault.

If multiple incidents occurred on the same day, the highest incident will be charged. If one or more serious violations occurred on the same day as an at-fault accident, such violations may be charged in addition to the at-fault accident.

POLICY ACTIVITY

The following surcharges may apply to a renewal or replacement policy based on activity during the prior policy's term(s). If the activity is solely to correct an error, no surcharge will apply.

- **Prior Endorsement Activity:** A surcharge may apply based on the number of times any of the following are added, changed or deleted for the policy within 12 months prior to the renewal or replacement policy: Coverages, Deductibles, Vehicles, Drivers, Address, Garaging Location. Changes made at the same time will be considered one Endorsement.
- **Prior Vehicle Cancellation:** A surcharge may apply based on the number of times a vehicle was re-added to the policy after having been deleted within 36 months prior to the renewal or replacement policy.
- **Prior Cancellation for Non-Payment of Premium:** A surcharge may apply based on the number of times the policy has been cancelled and reinstated for non-payment of premium within 36 months prior to the renewal or replacement policy.

ADDITIONAL SURCHARGES

- A surcharge may apply to any driver with a license status of Expired, Suspended, Cancelled, Revoked, or if the license is unverifiable.
- Any driver added to the policy that is defined as being unacceptable in the underwriting rules/guidelines will be surcharged in addition to any other surcharges that may apply.
- If the garaging address or primary area of operation of any listed vehicle on the policy is moved outside of Georgia (after the 60th day following the effective date of coverage) or if the insured moves their residence outside of Georgia a surcharge will apply if the policy is not cancelled.
- Any vehicle or coverage added that is defined as being unacceptable in the underwriting rules/guidelines will be surcharged in addition to any other surcharges that may apply.
- An unacceptable surcharge will apply to the policy if an endorsement is processed that makes the risk unacceptable.
- A surcharge may apply to vehicles with a title indicating a Severe Problem.
- A surcharge may apply to policies that do not have proof of prior insurance.
- A surcharge may apply to drivers with a certificate insurance (SR-22/SR-22A) filing.

Note: Within the first 60 days following the effective date of coverage, the addition of any driver, vehicle, or coverage, or a change that otherwise results in a risk that is unacceptable under our underwriting guidelines, may result in cancellation of the policy in lieu of the application of an additional Unacceptable Surcharge. Such cancellation may not be effective before the 31st day of coverage.

NONOWNERS

Non-owner policies are available to provide liability coverage for the named insured only. Coverage is offered only while the named insured is using a vehicle with permission, that is not available for their regular or frequent use, and is not owned by the named insured or a relative or resident of the named insured's household. A non-owner rating discount factor will apply.

CERTIFIED FINANCIAL RESPONSIBILITY FILINGS (SR-22/SR-22A)

For a risk on which a certificate of insurance (SR-22/SR-22A) is filed to comply with the requirements of an automobile financial responsibility law, a flat charge shall be made for each filing. The charge is fully earned and shall not be subject to modifications under the provisions of any other rule in this manual. SR-22/SR-22A policies must be paid in full and SR-22/SR-22A filings will be filed only for the state of Georgia.

CANCELLATIONS

The Company may flat cancel for down payments that are returned by the bank or financial institution. Agents are to notify the Company immediately upon receiving notice of an insufficient payment item.

A request by the insured to cancel the policy must be in writing and signed by the named insured or must be in the form of a recorded statement. The effective date of the insured requested cancellation cannot be earlier than the date the Agent or Company was notified by the named insured. However, the cancellation date may be in the past if the cancellation request includes proof of duplicate coverage starting on the cancellation date requested. Cancellations at the request of the insured or for underwriting reasons will be computed on a pro-rata basis.

See section on Material Misrepresentation for terms of cancellation when false or misleading statements are presented on the insurance application.

RENEWALS

A renewal policy will be issued after the expiration of the current policy period if all premiums owed on the current policy have been paid and the first payment of the renewal policy has been received prior to the expiration of the current policy term. Renewal offers and non-renewals will be sent at least 45 days prior to the policy expiration date.

If the appropriate renewal payment is not paid or mailed (U.S. Postal Postmark) by the expiration date of the policy term, coverage will expire on the final day (expiration date) of the current policy term (there is no grace period).

PREMIUM INSTALLMENT PLANS

The Company offers optional premium payment installment plans. The installment plans that are available to a policy will be displayed during the quoting process. The down payment must be collected from the insured at the time the policy is bound.

If a payment plan is selected, an Installment Fee will apply to each installment billed. If any installment payment is late, a Late Fee will apply. Unsuccessful payments or payments returned by the bank or financial institution may incur an NSF Fee.

Premium Determination

If an application is submitted with an improper driver class, discount, surcharge, etc. the policy will be issued at the appropriate rate level according to the rules as set forth in this manual.

DRIVER CLASSIFICATION

Age refers to the driver's age at policy effective date. A marital status of "single" in the rating pages refers to an unmarried, widowed, or divorced driver. A marital status of "married" means a legally married person or a separated driver. If a driver is "married" and their spouse is not a ratable driver on the policy, classification "X" will apply.

DRIVER AVERAGING

The highest-rated (based on Property Damage) drivers are selected up to the number of vehicles. If there are fewer drivers than vehicles, all drivers are selected.

PHYSICAL DAMAGE

For vehicles with physical damage an Initial Model Age adjustment factor may apply to the liability coverages. The Initial Model Age of the vehicle represents the Model Age at the time the vehicle is added, and will remain until the vehicle is removed or the policy expires.

REPORTS USED FOR UNDERWRITING

During the quote and bind process on the Company website GAINSCOconnect.com, reports are ordered as a part of our underwriting process. Data returned from these reports identifies information specific to the vehicle(s) and driver(s), such as length of ownership, incidents, license status, etc., which is used for underwriting and rating.

The Length of Ownership at the time the vehicle is added will apply to that vehicle until it is removed or the policy expires. If the application indicates the vehicle has been owned less than three months, this will override the Length of Ownership report results.

INSURANCE SCORING

An Insurance Score based upon credit history information may be ordered for the named insured as part of the quote process. This score will be used to determine the Insurance Score Tier.

Please read the disclosure on the website to the customer and verify their permission to obtain the score. Select "Agree" only if the applicant gives permission to obtain the score.

Include the full name, address, date of birth, and last 4 digits of the applicant's Social Security Number in order to obtain the Insurance Score. An applicant has the right to not provide the last 4 digits of their Social Security Number, but this may result in a No Hit result.

If a score is ordered and results in an applicant not receiving the maximum rate benefit, or a No Hit or "thin file" result is returned, provide the applicant with the FCRA notification that is generated by the website. If a customer suspects inaccuracies in their credit information, they may request a copy of their report by contacting the vendor as instructed in the notice provided.

The Company will re-order the score at least once every three years, unless the insured is already receiving the highest attainable insurance score range tier (Tier 10). At the request of the named insured, we will re-order the score up to once annually. When there is a new score, the new score will be used to determine the Insurance Score Tier beginning with the upcoming renewal policy period.

REPORT DATA CORRECTIONS

The insured may provide information to the agent correcting or supplementing any data received via an Underwriting Report, Insurance Score report, or any other report utilized in calculating premium. The forms the agent may use to assist the insured in submitting this information will be available on the Company website. All requests to update information will be reviewed, and any appropriate policy data corrections will be applied and the premium will be recalculated.

VEHICLE CHARACTERISTICS

Rating factors apply to each vehicle based on the vehicle's characteristics. New vehicle characteristics that are substantially similar to previous characteristics shall be classified according to that similarity.

Fees

Installment Fee: \$6/installment for non-EFT*, \$3/installment if EFT*

Late Fee: \$10 each occurrence*

NSF Fee: \$25 each occurrence*

Policy Fee: \$25 each policy term*

Reinstatement Fee: \$10 per reinstatement*

SR-22/SR-22A Fee: \$25 each policy term for which an SR-22/SR-22A is required*

* Fee is non-refundable and fully earned.

Claims

All claims should be reported to MGA Insurance Company, Inc. as promptly as possible either by telephone or by having the customer report the loss online at GAINSCO.com. The phone number to report a loss is: 800-699-1561.

Material Misrepresentation

It is important that agents ask all questions directly to the applicant and clearly explain the consequences of providing false information. Complete and accurate information on the application is required in order to bind coverage. **Material Misrepresentation may impact the insured's rights to policy benefits.** It is important that agents explain that a claim may not be paid if false or misleading information is provided to us.

Misrepresentation includes, but is not limited to the following:

- Failure to disclose all drivers as described in this manual.
- Use of an incorrect garaging address.
- Failure to accurately represent that the vehicle(s) and driver(s) are located in Georgia 10 months per year.
- Failure to report all prior accidents or violations on the application.
- Failure to accurately report vehicle usage or vehicles available for use.