



MGA Insurance Company, Inc.

VIRGINIA
Personal Auto Program
Agents Guide

Effective:
November 20, 2020 New
January 19, 2021 Renewal

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Company Contact Information

Customer Service

Phone	1-866-GAINSCO
Automated Policy Services	1-866-GAINSCO
Fax	1-800-532-3522

Claims/First Notice of Loss

Phone	1-866-GAINSCO
Fax	1-800-532-3522

Marketing/Agent Support

Phone	1-866-GAINSCO
Fax	1-800-532-3522

Website

www.gainscoconnect.com

Help Desk/Technical Support

1-800-321-7314

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 applicants. All submissions may be reviewed and underwritten based on their individual characteristics. This manual 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”).

Coverage will be bound at the exact date and time the application is completed, signed and dated by both the applicant and Agent if the following conditions are met:

- All applications must be uploaded to the Company using the www.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, 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 may be voided if the applicant’s down payment check is returned by the bank for insufficient funds. Please notify the Company immediately upon receipt of notice of NSF from the applicant’s bank.

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 issued at the appropriate rate level according to the rules set forth in the program manual.

BINDING AUTHORITY – ENDORSEMENTS

Endorsements can be processed online at www.gainscoconnect.com. Endorsements processed online will detail any additional premium and any amount to collect. Once the endorsement is submitted online, a confirmation page will generate and it must be printed, signed by the insured, and maintained in the agency’s file, per the documentation requirements under the Agent Duties section of this Rule Guide. If an endorsement results in a return premium, the insured’s account will be credited and remaining payments will be lowered.

Agents have 72 hours binding authority (3 calendar days) from the time that the insured notifies the producer. After this, the endorsement becomes effective the date and time of the phone call or fax, or day after postmark. **DO NOT BACK DATE COVERAGE.**

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 National Weather Service

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issues a hurricane "watch" or "warning" within 100 miles of the "watch" or "warning" area, and/or a severe weather "watch" or warning" in your local area. Normal submission activity will be reinstated 24 hours after the "watch" and/or "warning" is lifted by the National Weather Service.

Requests for changes to Medical Expense, Income Loss Benefits and Transportation Expenses Coverages on existing policies may be sent to GAINSCO, and will be made effective the date the moratorium is lifted. Insureds who purchase new or replacement vehicles during a moratorium will automatically have physical damage coverages extended to this vehicle if these coverages apply to one or more vehicles on the policy; otherwise, insureds may request the addition of physical damage coverages for the new or replacement vehicle.

In any areas directly affected by a category 3 or higher storm, binding restrictions will not be lifted until notification is received from GAINSCO. In the case of phone loss operations, all applications must be faxed to GAINSCO.

AGENT DUTIES

The Agent must assure compliance with all our 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 uploaded to the Company using the www.GAINSCOconnect.com website. If you are unable to upload 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 may obtain the named insured signature on our Automobile Insurance Application, Uninsured/Underinsured Bodily Injury and Uninsured/Underinsured Property Damage, policy forms or statements, and any other documents utilizing electronic signature (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.

The following documentation (if applicable to the policy) must be kept in your Agency's file and be available for Company review as requested. This documentation must be stored for a minimum of five years after the completion of the transaction, or for the amount of time prescribed by all applicable laws and regulations, whichever is greater.

- Completed and signed Virginia Automobile Insurance Application
- Vehicle Inspection Form
- Proof of Prior Insurance
- Proof of Homeownership
- Description of Business Use
- Description of Artisan use
- Signed Driver Verification form
- Any document proving accidents were not-at-fault

- Certificate of accident prevention course (for defensive driver discount)
- Any endorsement form
- Any vehicles with existing damage or uncompleted body repairs must have two photos taken of the damaged area, if physical damage coverage is requested.
- Any other documentation requirements provided by us, or as required by Virginia 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.

Agents are required to complete a Vehicle Inspection Form for each vehicle with Comprehensive and Collision coverages that have existing damage and must keep this form in your agency's file per guidelines listed above. If the vehicle being insured is a new purchase from a dealership, the Agent must obtain a copy of the purchase receipt and Vehicle Inspection Form within 7 days of purchase and keep in your agency's file per guidelines listed above.

In the event of a claim being filed regarding an application uploaded 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. 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. If there is 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.

PHOTO REQUIREMENTS

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.

The Vehicle Inspection Form (or photos as prescribed above) and above procedures are required when processing an endorsement to add Comprehensive and Collision coverages to any vehicle that has existing damage.

A vehicle inspection form is required (or photos must be provided as prescribed above) for each vehicle insured with Comprehensive and Collision Coverages that has existing damage. If a loss occurs 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.

COMMISSION SCHEDULES

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

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.

Product Information

COVERAGES & LIMITS

The following coverages are available under this program.

BODILY INJURY LIABILITY

Limits applicable to each policy:	\$25,000/person	\$50,000/accident
<i>Policies with FR-44 Required*</i>	<i>\$50,000/person</i>	<i>\$100,000/accident</i>

PROPERTY DAMAGE LIABILITY

Limit applicable to each policy:	\$20,000/accident or \$25,000/accident
<i>Policies with FR-44 Required*</i>	<i>\$40,000/accident</i>

UNINSURED MOTORIST BODILY INJURY

Limits applicable to each policy:	\$25,000/person	\$50,000/accident
<i>Policies with FR-44 Required*</i>	<i>\$50,000/person</i>	<i>\$100,000/accident</i>

UNINSURED MOTORIST PROPERTY DAMAGE

Limit applicable to each policy:	\$20,000/accident or \$25,000/accident
<i>Policies with FR-44 Required*</i>	<i>\$200 deductible for Hit-and-Run applies</i> <i>\$40,000/accident with \$200 deductible for Hit-and-Run</i>

MEDICAL PAYMENTS

Optional coverage limits: \$500, \$1,000, or \$2,000/person. Coverage is available to each policy, with or without Income Loss Benefits.

INCOME LOSS BENEFITS

Optional coverage limits: \$100/week for up to 52 weeks. Coverage is available to each policy, with or without Medical Payments.

COMPREHENSIVE & COLLISION

Deductible Options: \$250, \$500, \$750, or \$1000
Comprehensive and Collision are optional coverages that must be written together.

TOWING & LABOR

Optional coverage limits: \$50, \$75 or \$100 /disablement.

TRANSPORTATION EXPENSES

Optional coverage offered at a limit of \$600/occurrence as a result of loss to the insured auto or non-owned auto (Option 1). This coverage will be offered in writing on each new and renewal policy that has Comprehensive & Collision coverages.

* These higher limits are available only when required to satisfy FR-44 requirements for a policy. In order to have Uninsured Motorist Bodily Injury limits of \$25,000/\$50,000 and/or Uninsured Motorist PD limit of \$20,000 on an FR-44 policy, a signed Rejection of Increased Uninsured Motorist Limits form must be submitted.

UNACCEPTABLE RISK SURCHARGE

The Company reserves the right to make final underwriting decisions on all applications. The following is a general list of risks not written. Should a change be made to a policy mid-term that results in an unacceptable risk, the Unacceptable Surcharge will apply, except where a * is noted.

VEHICLES

All vehicles must be registered/titled to the named insured and/or his/her spouse, if living in the same household. If there is a co-owner also listed on the registration/title, the co-owner must be listed on the policy as an Additional Interest. All vehicles must be garaged at the named insured's residence, unless the vehicle is garaged at the residence of a dependent student away at school in the state of Virginia. Co-owned vehicles must be primarily for the use of the named insured and/or spouse.

UNACCEPTABLE VEHICLE TYPES

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			

*Unacceptable for physical damage

- 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

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- More than six vehicles insured under one policy
- More than two excess vehicles over the number of rated drivers on the policy.
- For Physical Damage, any vehicle with a depreciated base price greater than \$40,000
- 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 pre-existing damage (other than minor, rust-free dents or scratches), where physical damage coverage is being requested, that do not have Vehicle Inspections

OWNERSHIP AND USAGE

- Vehicles garaged in Virginia less than 10 months per year.
- Vehicles used for business or artisan use.
- *Vehicles driven by an unlicensed driver who is not listed on the Declarations.
- *More than one policy of insurance in a household unless liability limits and UM limits are equal.
- 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 or DBA.
- Any vehicle not garaged at the address for which the vehicle is rated.
- Any vehicle which, at the time of application, was involved in an accident on the same day the policy is to become effective. A future effective date must be used.

DRIVERS

- List all persons 14 years or older, licensed or not, residing with applicant(s), whether or not they drive/operate the listed vehicle(s).
- List all regular operators of the listed vehicle(s).
- List all children or dependents of the applicant, or applicant’s spouse, between the age of 14 and 21, regardless of whether they reside with the insured, including students living away from home.
 - 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.
- If the person has never been licensed, or if the license has been permanently surrendered and they do not drive, they may be listed as an Unlicensed Resident; otherwise, they must be listed as a Driver.
 - If the person drives, they may not be listed as an Unlicensed Resident.
- If the person has held a Virginia license, that license must be entered as the driver’s license information.
 - A learner’s permit is treated as a license, and such drivers must be listed.
- If the insured is legally Married or legally Separated, such legal status must be listed as their Marital Status, and their spouse must be listed.
- The Company must be notified within 30 days of the date any person enters into one of the above categories during the policy term.

Failure to list all such persons with complete information may constitute a material misrepresentation, which may result in all insurance coverages being void. Individuals who have their own vehicle and insurance, are not the spouse of the Named Insured, and do not drive the listed vehicle(s) do not need to be listed as Drivers on the application. If they no longer own a vehicle and/or no longer have insurance during the policy term, they must be added as a Driver to the policy within 30 days. These individuals must be listed under the Notes section of the Application on www.GainscoConnect.com, and a copy of their proof of insurance must be kept on file.

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.

UNACCEPTABLE DRIVERS

The following drivers are considered unacceptable:

- Any operator who is not a resident of the state of Virginia, and/or does not live in Virginia for 10 months per year.
- Any operator under the age of 14.
- Any named insured under the age of 18.
- Any operator with a suspended, expired, revoked or cancelled license, unless an SR-22 filing is requested on the application.
- Any operator who requires an FR-44 filing. If an existing policy requires an FR-44 filing during the policy term, an Unacceptable Surcharge factor will apply.
- Any operator without a valid Virginia license who is required to have one by state law (unless obtained within 60 days of policy inception).
 - An Unacceptable Risk surcharge will not apply; the policy will be cancelled or non-renewed if proof of a valid Virginia license is not received.
 - "Non-USA" License State shall be used for drivers who are not permanent U.S. residents, do not have a valid Virginia license, and are not required by state law to have a Virginia license.
- Risks with a mailing address outside of Virginia.
- 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 effective date of the policy.
- Operators with more than one alcohol or drug related charge in the 36 months immediately preceding the effective date of the policy.
- Operators with more than one major violation in the 36 months immediately preceding the effective date of the policy.
- Operators with more than two intermediate violations in the 36 months immediately preceding the effective date of the policy.
- Total number of at fault accidents for all operators listed on a policy cannot exceed two in the 36 months immediately preceding the effective date of the policy.
- Total number of major violations for all operators listed on a policy cannot exceed two in the 36 months immediately preceding the effective date of the policy.
- Total number of intermediate violations for all operators listed on the policy cannot exceed three in the 36 months immediately preceding the effective date of the policy.
- Students residing and/or attending school in a state other than Virginia.
- Any driver who, at the time of application, was involved in an accident or violation on the same day the policy is to become effective. A future effective date must be used.

However, the Company will not refuse to renew the policy solely due to:

- One or more claims submitted under the Uninsured Motorists coverage of the policy where the uninsured motorist is known or there is physical evidence of contact.
- A single claim by a single insured submitted under the medical expense coverage due to an accident for which the insured was neither wholly nor partially at fault.
- One or more claims submitted under the comprehensive or towing coverages.
 - However, we may offer a renewal at least 45 days prior to the renewal, omitting one or both of these coverages on the basis of one or more claims under these coverages.
- Two or fewer motor vehicle accidents within a three-year period unless the accident was caused either wholly or partially by the named insured, a resident of the same household, or other customary operator.
- Credit information contained in a "consumer report," as defined in the federal Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq., bearing on a natural person's creditworthiness, credit standing or credit capacity. If credit information is used, in part, as the basis for the nonrenewal, such credit information shall be based on a consumer report procured within 120 days from the effective date of the nonrenewal. The provisions of this subdivision shall apply only to insurance purchased primarily for personal, family, or household purposes; or
- The refusal of a motor vehicle owner as defined in § 46.2-1088.6 to provide access to recorded data from a recording device as defined in § 46.2-1088.6.

LICENSE STATE MATRIX

License State/Status	Classification (Corresponds to options on Rater)
Virginia	Virginia
Other U.S. State with current/active license	Applicable State with zero VA license experience
Mexico Driver License or Mexico ID (Matricula)	Mexico/Foreign
International or licensed in another country	International/Foreign
Never Licensed	<i>Unlicensed Resident</i>
Expired License	Applicable State with license status of Expired
Suspended License	Applicable State with license status of Suspended

SURCHARGES

Driver points are based on all occurrences and/or violations that have occurred in the thirty-six months immediately preceding the policy or the renewal date. Points will be assigned only to the driver responsible for incurring these points.

If an insured is a law-enforcement officer, we will not assign points for an accident which occurred in the course of the insured's employment as a law-enforcement officer while the insured was driving a motor vehicle provided by the employing law-enforcement agency and was engaged in a law-enforcement activity at the time of such accident. We also will not assign points when the operator causing the accident is a principal operator insured under a separate policy.

Any accidents listed on a motor vehicle report, application, or other underwriting report will be considered at fault when there is information in the insurer's file from which the insurer in good faith determines that the accident was caused either wholly or partially by the named insured, a resident of the same household, or other customary operator regardless of the amount of payout, including no payout.

Independent justification or verification of whole or partial fault will be determined by one or more of the following means:

- The insured is convicted of a violation for being partially or wholly at fault for an accident, and this information is obtained from the Motor Vehicle Report.
- The company has made a claims payment under the Bodily Injury, Property Damage or Collision line coverages on a prior policy and/or the facts of the loss indicate partial or whole fault.
- A Loss History Report indicates claims paid under the Bodily Injury Liability, Property Damage Liability or Collision coverages.
- The named insured indicates on their original application for insurance that the accident is at fault.
- The company has received details describing the accident from the insured and it is determined to be at fault based on those details.

If any incident occurs in conjunction, or the same day, with any other incident then we will surcharge for the single incident that results in the highest surcharge points.

POLICY ACTIVITY

The following surcharges will apply to a renewal or replacement policy based on activity during the prior policy's term(s). This activity will be monitored and updated at each renewal. No surcharge will apply if the activity is solely to correct an error, or due to a suspension at the request or on behalf of the named insured due to military duty outside of Virginia.

- **Prior Endorsement Activity:** A surcharge will 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.
- **Prior Vehicle Cancellation:** A surcharge will 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 will 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

- Any driver with less than 36 months verifiable driving experience will receive a surcharge. This surcharge will not apply to the extent the driver may not have legally obtained 36 months driving experience.
- 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.
- 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 after inception an endorsement is processed that makes the risk unacceptable.
- A Policy Purchase Source Factor and a Policy Purchase Source Coverage Expense Fee will apply to the policy based on the sales channel through which the policy was originally purchased: Online Vendor via an online quoting service, Direct Sale from the company, or via an independent Agency.

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.

NONOWNERS

Nonowners 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 the Named Insured's regular or frequent use, and is not owned by the Named Insured or a relative or resident of the Named Insured's household. A Nonowners rating factor will apply.

DISCOUNTS

DISCOUNTS REQUIRING DOCUMENTATION

A discount is offered for Proof of Prior Insurance, Homeowner, and Defensive Driver. If the proof of eligibility for a discount is received after the policy is issued, the discount will be applied on a pro-rata basis.

- Proof of Prior Insurance Discount - a Proof of Prior Insurance Discount will apply to the policy for five years when the named insured can provide proof of at least 120 days of insurance coverage during the 180 day period immediately prior to their policy effective date. Proof of the prior insurance coverage is required with the application and the binding of coverage. 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.
- Agency Internal Transfer Discount – This classification of Proof of Prior Insurance Discount will apply to the policy for five years 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 GAINSCO. 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. Midterm cancellations of a policy in its first term 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 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, unless a Proof of Prior Insurance Discount applies. The individual identified as the named insured on the auto application must also appear as the owner on the homeowner's proof. The homeowner discount is not available to a minor whose parent(s) are not listed on the policy. Acceptable forms of proof include a homeowner's insurance policy declaration page, mortgage statement, property tax records or property deed. Mobile homeowners are eligible for the homeowner discount.
- Senior Defensive Driver Discount – a discount will apply to the policy for drivers 55 years of age and older who have completed a Motor Vehicle Accident Prevention course. Applies for a three year period time from the time the course was taken. The discount applies only to the vehicle principally operated by the insured with the course completion certificate and only once to each auto regardless of the number of operators with course completion certificates.
 - The course must be voluntarily and successfully completed. No person assigned by the courts or notified by the Department of Motor Vehicles to attend a driver improvement clinic shall be eligible for the discount.

ADDITIONAL DISCOUNTS

- Anti-theft Discount - A discount will apply for each vehicle with an Anti-theft device..
- ESC/ABS Discount- A discount will apply to vehicles with ESC or ABS.
- 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.
- Renewal Discount – A discount applies to renewal policies.
- Advance Shopping/Purchase Discount – A discount will apply to the policy for five years if the date the policy is bound is between 3 and 30 days prior to the effective date of the policy, and the Proof of Prior Insurance Discount applies, but not Agency Internal Transfer Discount.
- Recurrent Payment Discount – A discount will apply when an automatic Recurrent Payment Plan is selected.
- Safe Driver Discount – A discount will apply to the vehicle customarily occupied by a driver, based on whether a driver has been free of accidents and violations for less than a year (N), or 1, 2 or 3+ years. When a vehicle is the customarily operated vehicle for more than one driver, the vehicle will receive the greatest discount for which any of those drivers qualify.

CERTIFIED FINANCIAL RESPONSIBILITY FILINGS (SR22 & FR44)

For a risk on which a certificate of insurance (SR-22 or FR-44) is filed to comply with the requirements of an automobile financial responsibility law, a flat charge of \$25 shall be made for each such 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 and FR-44 filings will be filed only for the state of Virginia.

If the driver requiring the filing of an SR-22 Financial Responsibility Certification is International and does not have a United States driver's license, the risk will be written and rated with Virginia as the license state, and the driver's license number will be the Customer Number issued by the Virginia Department of Insurance.

CANCELLATIONS

The Company may flat cancel for down payments which are returned by the bank for non-sufficient funds. Agents are to notify the Company immediately upon receiving notice of the NSF from the bank. A copy of the front and back of the returned check, along with the request to cancel must be faxed to MGA Insurance Company, Inc.

Insured's checks for installment payments that are returned for non-sufficient funds will be cancelled giving the appropriate notice.

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, if the cancellation is due to duplicate coverage, the cancellation may be made effective upon the effective date of the duplicate policy. Return premium for cancellations will be computed on a pro-rata unearned premium basis. The required 10-day notice period will be provided for cancellations initiated by the company within the first 60 days of the policy. All other cancellations will be provided with a 15-day notice if for nonpayment of premium, or 45-day notice in all other cases.

SUSPENSION OF COVERAGE

A named insured that is called to active military duty may be eligible for a suspension of insurance. In order to obtain this suspension a named insured or a representative must send a written request for suspension of coverage due to military service. This request must include a copy of the orders to military duty outside of the Commonwealth of Virginia and a copy of the vehicle's impoundment in a

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motor vehicle impound lot on a military base of the United States Armed Forces, the Reserves of the United States Armed Forces or the National Guard. The policy will then receive a full pro-rata return of any unearned premium. When the insured wishes to resume their coverage, please contact Customer Service to obtain a continuation of coverage for the suspended insurance.

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

PHYSICAL DAMAGE

For vehicles with physical damage a model age adjustment factor applies 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 our Company website www.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.

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.

If there are technical errors in obtaining a score from the vendor, we will assign the "All Other" Insurance Score classification due to Connectivity Issues.

We 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 per policy term. The updated score will be used during the renewal pricing process.

TERRITORY

Policies are rated based on zip code territories. The company will monitor new zip codes and will file rating factors to enable them to be written. New zip codes will be unavailable for rating new policies until such rates have been filed with the Bureau of Insurance. . Any existing policy that is impacted by the new zip code will continue to be rated in the current zip code territory until the new zip code rating becomes available.

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 to us will be available on our 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.

Rating factors apply to each vehicle based on the vehicle's characteristics, as defined by the Highway Data Loss Institute (HLDI). Vehicle Class Name and Vehicle Size are fields provided by the Highway Loss Data Institute (HLDI). Their definition can be found at https://www.iihs.org/media/f9365d6d-8473-4d26-a4ca-97c6a4c7d7b6/127016350/Ratings/Protocols/current/tech_06.pdf. Class Size Group is an amalgamation of Vehicle Class Name and Vehicle Size.

Passenger cars are grouped in six major classes: regular two-door models, regular four-door models, station wagons, minivans, sports models and luxury models. Station wagons typically have four doors, a rear hatch and four pillars. Sports models include two-seaters and cars with significant high-performance features. Luxury models include relatively expensive cars not classified as sports models. (For 2007 models, the luxury threshold guideline is a price-to-curb-weight ratio exceeding 9.0). Passenger cars are divided into five size categories based on vehicle shadow (overall length times width) and curb weight, as shown in the diagram.

Passenger Car Size Classes

		midsize	large	very large	very large
4,000	small	midsize	large	large	very large
3,500	small	midsize	midsize	large	
3,000	small	small	midsize		
2,500	mini	small			
		80	90	100	110
		Shadow (overall length x width in square feet)			

Vehicle base price is computed by first taking the MSRP of the base model with destination charges and adding the following options if necessary: automatic transmission, air conditioning, and antilock brakes. Occasionally individual options are only available as part of packages; when this occurs the cost of the package is included in the price. Additionally, if the vehicle is subject to the federal “gas guzzler tax,” the tax amount is added.

Fees

Installment Fee: \$10/installment for non-EFT*, \$5/installment if EFT*

Late Fee: \$10 each occurrence*

NSF Fee: \$25 each occurrence*

Policy Fee: \$50 each policy term

SR-22/FR-44 Fee: \$25 each policy term for which an SR-22 or FR-44 is required*

** Fee is non-refundable and fully earned.*

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 result in the policy being declared null and void from the inception and will 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 elsewhere in this manual.
- Use of an incorrect garaging address.
- Failure to accurately represent that the vehicle(s) and driver(s) are located in Virginia 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.