MASSACHUSETTS

PERSONAL AUTO

UNDERWRITING GUIDE

December 2019

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APPLICATIONS FOR NEW BUSINESS

All new business applications shall be submitted on Arbella.com.

All new business applications and supplemental application questions must be fully completed and signed by the insured. In accordance with your agency agreement, please submit each application, the required deposit, and all supporting documents within two business days.

Our preferred method to receive documentation is for agents to electronically attach documentation at the time of submission using the "File Attachment" feature. Agents may also mail or fax to their underwriting team. Please include the policy number and/or reference number. If the required documentation is not received within a reasonable time, further action may be taken including adjustment of policy information and possible cancellation.

The agent must verify if premium is owed on a prior policy. If premium is owed, it is to be collected at the time of application and forwarded to the appropriate carrier. If payment plan arrangements have been made with the prior carrier, please note this on the application.

If the insured is financing the premium, the automobile insurance policy will be direct billed to the Premium Finance Company. The insured will also receive a copy of any bills sent. All return premiums will be sent directly to the Premium Finance Company.

DOWNPAYMENT

Arbella requires a 10% down payment on all voluntary new business and renewals.

If the named insured has had a prior policy cancel for non-payment of premium within the past 24 months, we will require a down payment of 100% with the new business application or with the endorsement request if adding the cancelled vehicle to an existing policy.

For MAIP Assigned policies:
MAIP rules call for a 25% deposit if an Arbella quote is not obtained prior to the new business application. If an Arbella quote is obtained, then the required new business deposit is 30% of the premium.

BILLING QUESTIONS

Answers to the most commonly asked billing questions can be obtained via the Arbella Mutual website at www.arbella.com which is available 24 hours a day, 7 days a week.

AVAILABLE COVERAGE

The following is a listing of the maximum MAIP limits available for Massachusetts Private Passenger Automobile Insurance**. Please consult your agency agreement for the limits of your binding authority:**

INSURANCE COVERAGE	LIMITS
Part 1 – Bodily Injury to Others	$20,000 per person/$40,000 per accident
Part 2 – Personal Injury Protection (PIP)	$8,000
Part 3 – Uninsured Motorist Coverage	$500,000 per person/$500,000 per accident
Part 4 – Property Damage	$250,000
Part 5 – Optional Bodily Injury to Others	$500,000 per person/$500,000 per accident
Part 6 – Medical Payments	$25,000
Part 7 – Collision	$500 Deductible – other deductibles available upon request.

This coverage is not available in the following circumstances:

- The named insured or a customary operator has been convicted of driving under the influence of drugs or alcohol during the past 3 years.
- The named insured or a customary operator has been convicted of vehicular homicide, auto related fraud or auto theft during the past 5 years.
- The named insured or a customary operator made an intentional and material misrepresentation making a claim under collision or comprehensive coverage within the last 5 years.
- The auto is customarily driven by or owned by persons who, during the last 3 years have been involved in four or more at-fault auto accidents.
- A salvage title has been issued by the Registrar of Motor Vehicles unless a new certificate of title has been issued in accordance with Massachusetts law. (Coverage cannot be written on a vehicle which has been issued a salvage title – Coverage must be refused.)

Part 8 – Limited Collision $500 Deductible – other deductibles available upon request. This coverage is not available in the following circumstances:

- The named insured or a customary operator has been convicted of driving under the influence of drugs or alcohol during the past 3 years.
- The named insured or a customary operator has been convicted of vehicular homicide, auto insurance fraud or auto theft during the past 5 years.
- The named insured or a customary operator made an intentional and material misrepresentation making a claim under collision or comprehensive coverage within the last 5 years.
- The auto is customarily driven by or owned by persons who, during the last 3 years have been involved in four or more at-fault auto accidents.
- A salvage title has been issued by the Registrar of Motor Vehicles unless a new certificate of title has been issued in accordance with Massachusetts law. (Coverage cannot be written on a vehicle which has been issued a salvage title – Coverage must be refused.)

ACCOUNT CREDIT DISCOUNT

An Account Credit Discount is available and applies to all coverages when there is an additional personal lines policy in force. The discount percentage varies depending on the rules listed below:

- **Policy effective dates** 2/15/2020 **and later new and renewal**
  - 13% all coverages (With an Active Arbella Umbrella policy regardless of additional companion policies)
  - 10% all coverages (With an active additional personal lines HO3, HO5, or HO6 policy written with Arbella, MA FAIR Plan, United Property & Casualty Insurance Company, CHUBB, Arbella Dwelling Fire, or through a carrier that does not write MA auto)
  - 10% all coverages (With an active additional personal lines HO3 Homeowners policy written through Spinnaker Insurance Company)
  - 5% all coverages (with an active HO4 policy insured with one of the companies within the Arbella Insurance Group, or an active HO4 policy written through the MA FAIR Plan, United Property & Casualty Insurance Company or with a carrier that does not write MA Auto

- **Original new business effective dates prior to 11/01/14**
  - 10% all coverages (With an active additional personal lines HO3, HO4, HO6, Dwelling Fire or Umbrella policy insured with one of the companies within the Arbella Insurance Group; or have an active HO3, HO4, HO5, or HO6 policy written through the MA FAIR Plan or through United Property & Casualty Insurance Company)
  - 5% all coverages (With an active HO3, HO4, HO5 or HO6 Homeowners policy written with a carrier that does not write auto business in MA)

The discount can be added to a policy at any time during the policy term. The discount will be removed once the insured no longer has at least one additional qualifying personal lines policy. Regardless of class, children of Arbella insureds residing in the same household may borrow their parents' Account Credit Discount.

ANNUAL MILEAGE DISCOUNT

For new business submissions, when available the discount will be applied automatically based on the rated mileage calculation using the RMV inspection data.

The discount will also be applied or removed automatically upon the renewal based on the rated mileage calculation using the RMV inspection data.

The Annual Mileage Discount forms will be mailed out on renewal when the mileage cannot be calculated and the vehicle was previously receiving the discount.

There may be situations where the mileage will prefill with an incorrect number. For example, due to incorrect or outdated odometer readings for these cases we provide options to override the odometer readings.

The following options require odometer validation:

- "Enter Odometer Details" - used to provide odometer reading(s) when no reading(s) are retrieved from vehicle inspections
- "Correct Odometer Details" - used to correct errors in one or both odometer readings retrieved from vehicle inspections
- "Replacement Vehicle"-used to enter odometer reading of a prior vehicle if the vehicle on the policy is a replacement vehicle

If the calculated annual mileage is not reflective of future driving due to a change in the risk the following options are available:

- "Lifestyle Change"-used when certain circumstances will alter the rated mileage
- "Other"

REWRITES

When a lapse in coverage has occurred a new business rewrite must receive underwriting approval prior to binding coverage. The application will not be accepted on our system and will have to be mailed in along with the premium payment in full. Please identify when a submission is a rewrite and make notes in the remarks section of the application that it was approved by underwriting. All earned premium from the prior policy must accompany the application. If the prior policy has been cancelled over 17 days please have an RMV3 completed at the registry to ensure that the plates will remain active.

CERTIFYING REGISTRATIONS

Once a risk has been accepted by Arbella, use the Arbella Mutual Insurance Company stamp. Certification of any registration (RMV1 or RMV3) binds Arbella Mutual to the risk. Do not certify any new business registrations without acceptance, a signed application, and down payment of premium. Blank registration certificates must never be 'pre-stamped' or distributed to any party which does not represent Arbella Mutual for personal lines automobile insurance.

COURTESY STAMPS

When certifying registrations for other Arbella Mutual agencies, you must verify company acceptance with the producer of record. A copy of the registration must be sent to the producer of record within two business days.

OPERATORS

You must list the driver information for the applicant and each person who customarily operates the auto(s) whether they are household members or not. List the complete license number and state on the application or the endorsement**.**

DEFERRED OPERATORS

All licensed household members and all operators who customarily use an insured vehicle must be listed on a policy. An operator may be deferred if that operator's classification and Safe Driver Insurance Plan points are assigned to another automobile covered by another Massachusetts private passenger automobile insurance policy. A copy of the declarations page must be obtained to defer an operator to another carrier's policy. The only way to list but not charge for an operator is to either defer the operator or have an exclusion form signed for the operator. An operator may not be deferred or excluded if he or she is the only listed operator on the policy. On a multiple vehicle policy an operator may not be deferred from only one vehicle.

OPERATOR EXCLUSION

An operator may be excluded from a policy only if an Operator Exclusion form is signed by both the insured and the excluded operator. We will exclude the operator no earlier than the date that the form was signed. A copy of the form is included in the Forms Library on Arbella.com.

We will only exclude the Named Insured by exception. Please contact your underwriter in these situations.

UNLICENSED OPERATOR

An unlicensed operator is one who has never held a driver's license or has turned in his/her driver's license to the Registry of Motor Vehicles. Do not list unlicensed operators on the application.

OPERATORS WITH INVALID/SUSPENDED/REVOKED LICENSES OR AUTO REGISTRATIONS

Under the Arbella Massachusetts Automobile Insurance Policy, Arbella Mutual can cancel any policy if the driver's license of the named insured or any listed operator is not valid or the auto registration is suspended or revoked.

If anyone in the household has an invalid driver's license during the policy period, Arbella Mutual can issue Massachusetts Endorsement MPY-0032S Suspension of Coverage – Reduction of Limits. This would suspend coverage under any of the Optional Insurance Parts of the policy while that person is operating any auto.

Arbella Mutual can also reduce the limits on mandatory coverages to the minimum limits we are required to sell.

After a cancellation notice for an invalid, suspended or revoked license has been issued, Arbella Mutual will only reinstate a policy, subject to underwriter discretion, when the operator's license or registration is active and Arbella Mutual is notified prior to the cancellation date. Arbella Mutual will not reinstate the policy if an operator is added after we issue the cancellation.

FOREIGN/NON-MASSACHUSETTS LICENSED OPERATORS

An operator with a foreign/non Massachusetts license may be classified as experienced in accordance with Rule 28 of the Arbella Mutual Massachusetts Private Passenger Rules/Rates Manual.

When you process a submission on an individual who has a non-Massachusetts license we require that you obtain a photocopy of the person's proof of identity that was shown to you. This can be one of many types of photo IDs, such as a license, a passport, an employee ID card, etc. This photocopy will be mandatory for all submissions where the named insured has a non- Massachusetts license.

Arbella will not issue policies in cases where the named insured or principal operator of the vehicle has not obtained a valid Massachusetts license within twelve months of establishing residency in the state. If the insured's prior policy has been non-renewed by Arbella or any other carrier for failure to obtain a Massachusetts license, your agency may not bind coverage with Arbella or stamp certificates of registration (RMV-1 or RMV-3) with your Arbella stamp until such time as the operator has obtained a valid Massachusetts license.

If an application for insurance indicates that an operator is licensed outside of the U.S. or such operator is being added to an existing policy, the operator will be initially placed at SDIP Points 00. Once we receive proper documentation, SDIP may be adjusted. A Massachusetts license must be obtained, if required, in accordance with the rules of the Registry of Motor Vehicles. **If a policy is currently in force and the named insured or the principal operator on a policy does not obtain a Massachusetts license as required, we will diary the policy for nonrenewal for failure to obtain a Massachusetts license.**

Be advised that for individuals with a Massachusetts license and prior non-Massachusetts experience, only the information available at the MA RMV will be relied upon. If other information is available, please forward to Arbella for consideration.

MVRs are unavailable to us from **Alaska, Arkansas, California, Hawaii, Idaho, Maryland, Pennsylvania, Virginia, Washington, West Virginia, and Wisconsin** therefore proof of driving history must be supplied by the insured.

ISSUING AN INSURANCE BINDER

Once Arbella has accepted the risk, if your customer needs immediate evidence of insurance, issue an Insurance Binder. A copy of this must accompany the new business application or endorsement request.

Never issue an insurance binder unless you have confirmation from Arbella that the policy will be accepted and one of the following:

1. A completed new business application and supplemental application questions with down payment.
2. An existing Arbella Mutual policy for that vehicle.
3. A complete endorsement request to add the vehicle.

MOTORCYCLES

Collision and Comprehensive premium is based on the original cost new of the motorcycle plus cost new of any improvements to the motorcycle that increase its value. Please forward a copy of the Bill of Sale as evidence of installation of any improvements. Both documents must contain the make, model, serial number and cost new of the item(s) to be covered. Coverage for the additional equipment will not be considered without these items.

Rating Classifications as well as SDIP credits for motorcycle policies are derived from the applicable operator's motorcycle operating experience. Please include on the application of motor vehicle insurance the date the operator was first licensed to drive a motorcycle, or if they have a learner's permit.

Arbella does not offer Stated Amount Coverage for motorcycles.

LOW SPEED AND LIMITED USE VEHICLES

Arbella does not provide Voluntary coverage on Low Speed or Limited Use vehicles. These types of risks should only be placed in the MAIP.

1. A Low Speed Vehicle is a four wheeled motor vehicle that has a 17-digit VIN, a Certificate of Origin, a gross vehicle weight rating of less than 3,000 pounds, a top speed greater than 20 mph, but not greater than 25 mph, and is National Highway Traffic Safety Administration certified as a "Low Speed Vehicle."
2. A Limited Use Vehicle is a vehicle that has been certified by the manufacturer to meet Federal Motor Vehicle Safety Standards for that particular class of vehicle, and whose speed on the paved level surface can exceed 30 miles per hour, but is not capable of exceeding 40 miles per hour.

PHYSICAL DAMAGE COVERAGE WITH A DWI

For new business submissions, Arbella does not provide physical damage coverage on vehicles customarily driven or owned by persons who have been convicted of driving under the influence of alcohol or drugs (DWI) within the previous three years. You may not bind physical damage coverage if a DWI is present within that time frame for any listed operator.

PHYSICAL DAMAGE COVERAGE WITH A LIENHOLDER

All vehicles with a lienholder must carry collision and/or comprehensive coverage unless the insured can provide a letter from the lienholder indicating that they will allow the individual to forgo physical damage coverage.
When deleting physical damage on a vehicle with a lienholder, a copy of a release from the lienholder must be submitted. Alternatively, a statement from the lienholder granting the insured permission to remove collision and/or comprehensive coverage from the vehicle is also acceptable.

STATED AMOUNT COVERAGE

A Stated Amount endorsement places a limit on the company's liability for loss to the vehicle. In the event of a loss, settlement will be made on the basis of the **lesser of:**

- The actual cash value of the auto at the time of loss, or
- The amount necessary to repair or replace the auto, or
- The stated amount

Arbella Mutual can write coverage on a stated amount basis if it can be clearly established that the vehicle's value generates an inadequate premium charge using normal rating procedures. All insureds desiring Stated Amount Coverage must obtain an appraisal from one of our recognized appraisers that includes at least two (2) photographs, at their own expense, which show all four sides of the vehicle. When you receive the appraisal from the insured, attach it to the endorsement request for Stated Amount Coverage and send it directly to the attention of your Underwriter. The effective date for the Stated Amount Coverage is the date on which the coverage is approved by the underwriter. Until Underwriting has approved the appraisal, neither the agent nor the company may bind Stated Amount Coverage. Arbella Mutual requires current appraisals on all vehicles.

A stated amount endorsement is not to be used for custom furnishings or custom equipment in pickups or van type vehicles. Such furnishings or equipment are excluded, and coverage is available only through the appropriate endorsement MPY-0037-s, Coverage for Customized Vans and Pickups.

Arbella does not offer Stated Amount Coverage for motorcycles.

HIGH VALUE VEHICLES

High Value vehicles need to carefully underwritten and should have underwriter approval prior to submitting an application.

ANTIQUE AUTOS

Antiques may be written on a Personal Automobile Policy if the vehicle is registered as an antique. In the event that UMS shows that the vehicle is registered with a passenger (PAN) plate number, the classification will be changed to reflect the full rate of premium.

As antique automobiles can only be written on a voluntary basis you must adhere to the following guidelines:

- An insured with an antique automobile must have a regular automobile policy for support.
- No operator on any policy may have an SDIP higher than 6 Points.
- if Part 7, 8, or 9 is requested, we require a copy of a current appraisal, at the customer's own expense, from one of our recognized appraisers that includes at least two (2) photographs which show all four sides of the vehicle.
- An antique automobile valued at more than $50,000 requires prior approval from your underwriter.

- Antique automobiles must be written on a separate policy. The maximum number of antiques per policy is four (4).

COMPREHENSIVE ONLY

Arbella will write this coverage if the automobile is properly protected while in storage on the residence premises, and if Arbella has supporting coverage for the insured. This determination of acceptability must be made by your underwriter and may NOT be bound by the agent.

EXCESS ELECTRONIC EQUIPMENT COVERAGE

Coverage for electronic equipment is provided as long as it has been permanently installed in an auto in locations used by the auto manufacturer for the installation of such equipment. If the equipment is permanently installed, but not in locations used by the auto manufacturer, coverage is limited to $1000. Additional coverage for equipment that reproduces, receives, or transmits audio, visual or data signals, that is permanently installed in locations not used by the auto manufacturer for installation of this equipment, may be provided using endorsement MPY-0041-S. Forward a copy of the bill of sale and evidence of the installation. Both documents must contain the make, model, serial number, and cost (new) of the items(s) to be covered.

CUSTOMIZED EQUIPMENT

Arbella Mutual will review the request to offer coverage accordingly. Forward one of the following with the new business application or change request:

- Copy of the bill of sale from the dealer. This must include an itemized list of the customized features and the purchase price (window sticker) or
- Copy of the current appraisal from a licensed appraiser. This must include an itemized list of the customized features.

Coverage for customized equipment is available for any pick up or van insured under the policy for Collision or Comprehensive by attaching endorsement MPY-0037-S, Coverage for Customized Vans and Pick-ups and adding the value of the customized equipment to the value of the vehicle. Determine the value of the vehicle by using Rule 47 in the Arbella Mutual Private Passenger Rules/Rates Manual and then based on the new amount, refer to Rule 22 in the Arbella Mutual Private Passenger Rules/Rates Manual to determine the new symbol.

Coverage for the customized equipment will not be added without the proper documentation.

SALVAGE AND OWNER RETAINED TITLES

A vehicle that has a Salvage Title cannot receive physical damage coverage until the Registry issues a new Certificate of Title and it passes a Registry inspection. The Registry will award a Reconstructed or Recovered Theft title after the vehicle has passed a salvage inspection.

Requests for physical damage coverage on totaled vehicles must be inspected by an authorized pre-inspection service prior to physical damage being added.

TOTAL LOSS PROCEDURES

If a vehicle is retained by an insured after a total loss, please delete physical damage coverage from the policy until **all** of the following conditions are met:

- The vehicle is repaired,
- The vehicle passes inspection at a State licensed inspection station,
- The vehicle has had an Arbella Drive-In Claims inspection; and
- The insured has applied for an owner-retained title, reconstructed title, or recovered theft title

As a reminder, when physical damage coverage is deleted, this coverage will also not be available for a customer's replacement rental vehicle.

Physical damage coverage can be added back to the policy once the above conditions have been met. If the vehicle is not retained by the insured, please advise the insured to return his/her plate to the Registry of Motor Vehicles as premium will be earned until the plate is returned or the policy is cancelled via a lost plate affidavit. If the vehicle is 10 years old or older, it is not required that an owner retained, recovered theft or reconstructed title be obtained, however an Arbella Drive-in Claims inspection is still required. We do suggest that an inspection, by a state licensed inspection station, be conducted to determine that the vehicle is safe to operate.

TRUST ENDORSEMENT

This optional endorsement allows vehicles whose title has been transferred into the name of a trust to be written on an Arbella Mutual Massachusetts Private Passenger Automobile Policy. To be eligible for this optional endorsement, the following criteria must be met:

- The named insured(s) of the policy must be the grantor(s) of the trust.
- All vehicle(s) insured under the policy must be owned by the trust.

This optional endorsement will be displayed as follows:

- The name of the trust will not appear on the Coverage Selections Page, but will appear on the endorsement itself.
- The grantor(s) of the trust will appear on the Coverage Selections Page as a named insured (s).

A copy of this optional Trust Endorsement M-0107-S is available in the Forms Library on Arbella.com

ARBELLA ADVANTAGE DISCOUNT

A discount is available for new auto policyholders or past clients returning to Arbella after insuring with another carrier. The discount will gradually reduce towards 0% at each renewal.

The eligibility requirements are:

- The policy is submitted on Arbella Connect
- The customer is new to Arbella

MARKETING PARTNERS

A 6% discount is applied to a policy when an insured has a verifiable business relationship* with a marketing partner of Arbella during the 12 months preceding the policy effective date.

To qualify for this discount:

1. A contribution to an Arbella approved Marketing Partner must have been made during the 12 months preceding the policy's effective date.
2. Proof of contribution must be stored at your agency in the form of an official confirmation notice, receipt, or canceled check from the organization. See “Documentation Storage and Audit” section of these guidelines for additional details.

*A verifiable business relationship is defined as making a documented contribution to an IRS Section 501(c)(3) organization that is a marketing partner of Arbella in such minimum amount as detailed in the marketing partner’s written promotional marketing agreement with Arbella.

This discount will be removed upon renewal. In order to continue the Marketing Partners Discount on a renewal policy, it is necessary to have the Marketing Partners Discount Form completed, signed and returned prior to the renewal. The Marketing Partners Discount Form will be included in the policy packet sent to any policyholder whose prior term's policy contained the Marketing Partners Discount.

Approved Marketing Partners:

- Jimmy Fund/Dana Farber
- Special Olympics of Massachusetts (SOMA)
- IMPACT Melanoma

STUDENT AWAY AT SCHOOL DISCOUNT

A student away at school over 100 miles from home without regular access to the insured vehicle is eligible for this discount. A student who is away at school should remain as a listed operator on his/her parents’ auto policy as they are still considered a household member. If this discount applies to a rated operator, school name, city and state is required. Agent to retain document on file. Re-verification may be required.

MILITARY AWAY DISCOUNT

A discount will be applied to the policy for all rated operator classifications provided that the operator is deployed on active military duty over 100 road miles from the automobile’s place of principal garaging and does not have regular access to the covered vehicle while deployed. Re-verification may be required.

This discount cannot be combined with Good Student Discount or Student Away at School Discount.

GOOD STUDENT DISCOUNT

Arbella offers a discount for rated inexperienced operators when the operator is a full time student and meets the following criteria:

a.) Is in the upper 20% of their class

b.) Maintains a minimum of a "B" or higher average or grade point average of 3.0 on a 4.0 numeric scale

c.) Is included in scholastic achievement lists such as Dean's List or Honor Roll

A copy of the student's most recent report card, or other acceptable documentation, within the past 12 months, is required for verification and application of the discount. Re-verification may be required.

The discount cannot be combined with Military Away Discount or Student Away Discount.

DOCUMENTATION STORAGE AND AUDIT

Arbella Mutual requires your agency store copies of all new business applications, supplemental applications, endorsement(s) as well as all supporting documentation. This section has been included to assist you in determining what type of documentation your agency must store.

The following is a list of some of the private passenger documentation that your agency must store for six years, for each policy you write:

General Supporting Documents:

- Signed New Business application
- Signed Supplemental application (if applicable)
- Photocopy of proof of identity for non-Massachusetts licenses
- Photocopy of the evidence of licensure specifying the number of years licensed in the other state or country and the completion of driver training
- Insured's Out-of-State/Country Driver Record (including translation if applicable)
- Declarations page if deferring an operator to another carrier's policy
- RMV-1, 2, 3 & Registration and Title Application
- Operator's Exclusion Form
- 2A/Broker of Record
- Window Sticker/Dealer Invoice/Stated Amount & Customized Equipment Appraisal Documentation
- Premium Finance Agreement
- Copy of leasing agreement
- Plate Return Receipt
- Lost Plate Affidavit
- Owed premium resolution documentation
- Record of years with prior carrier/agency if applicable (policy number, carrier & effective dates)

Discount Support Documents:

- Anti-theft Device installation proof/receipt - if not factory installed/supported by Polk, Vehicle Recover System Certificate proof of installation with VIN
- Annual Mileage Discount Form
- Marketing Partners proof of contribution (dated and in insured's name)
- Student Away proof of enrollment
- Good Student proof of GPA
- Driver's Training Certificate
- Advanced Driver Training and Driver Simulator Certificates
- Motorcycle Driver Training
- Account Credit/ HO policy declaration page if other than Arbella

Policy Change and Miscellaneous Documents:

- Memos/letters
- Miscellaneous Correspondence relating to any policy transaction
- Applicable endorsements
- Paper Change Requests
- Surcharge notice/Surcharge appeal
- No loss form (if reinstatement processed by agency through ADC)

Audit – Periodic file reviews will be conducted to ensure that the proper documentation procedures are in place. During the audit, Arbella Mutual will verify the following:

- The appropriate documents are being stored.
- The stored documents contain accurate information.
- Documents are stored for the appropriate amount of time (6 years).
- The proper application of underwriting policies and procedures.

OUT-OF-STATE CANCELLATION

When an insured moves out of state, we require a copy of the plate return receipt or lost plate affidavit in order to cancel the policy. If cancellation is requested *prior* to the date of the plate return receipt/loss plate affidavit, then a copy of the new policy declarations page and the new registration supporting the requested effective date is required.

SR-22 AND SR-26 FINANCIAL RESPONSIBILITY

Please complete the Application for Financial Responsibility Certificate which can be found in the Arbella Reference Center. The policy must b e in the name of the person that requires the Financial Responsibility and underwriting approval must be obtained.

CANADA CARDS

Insureds may request Canada Cards in the event that they will travel to Canada. The Canada Card certifies that the insured vehicle carries bodily injury and property damage coverage.

Please contact your underwriter or underwriter assistant for a supply.

MULTI-CAR POLICIES

- Additional Multi-vehicle policy discount.
- The maximum number of motor vehicles per policy is four (4).
- Motorcycles and antique vehicles need to be placed on separate policies. The maximum number of motorcycles or antiques per policy is four (4).
- Each operator listed on the policy must be shown with their percentage of use. Operators will then be assigned one of the following classifications; principal (P), occasional (O), deferred (D), or excluded (E) per the application. Question #3 must be completed for any deferred operators. An exclusion form must accompany the application for any excluded operator.
- Policies may be written in the name of multiple insureds other than spouses but all named insureds **must** be shown on the policy exactly as shown on the registration for each auto.
- The highest rated driver will be assigned to the highest rated vehicle on a policy.
- Vehicles listed on a multi-car policy can have different coverage limits.
- One bill will be issued for all vehicles listed on the multi-car policy. The year and make of all vehicles listed on the policy will be shown on the bill.
- One installment charge for policies paid on a monthly basis will be charged regardless of the number of vehicles listed on the policy.

PROCESSING CHANGE REQUESTS

Policy change requests can be submitted on Arbella.com. We urge you to take advantage of this quick and easy way to submit your policy change requests.

- Do not hold any endorsement for any reason.
- Submit all change requests on the day you receive them.
- All change requests must be submitted within two business days of the binding of coverage.
- When adding a vehicle to an existing multi-car policy, the vehicle must be owned, registered and insured by the named insured or his/her resident spouse.
- The following transactions must be mailed or faxed and not processed via Arbella.com:
  - Any request which exceeds the agent's current level of binding authority.
  - Requests to issue stated amount coverage on an automobile.
  - Requests to issue physical damage coverage on a salvage vehicle.
  - Requests to change a policy to comprehensive only.
  - Requests to change Group codes.

FRAUD IN THE APPLICATION

Many types of insurance fraud begin during the application process. Agents are our front-line defense in fighting against the fraud that negatively impacts the Company, agencies, and most certainly our customers. Below is a list of basic steps to follow to ensure that your agency staff is aiding in the detection of fraud.

- Attention should be paid to residential locations outside of the agent's community and to mailing locations outside of the insured's garaging city. Agents can ask insureds for proof of residency as evidenced by utility bills like electricity or gas. Cell phone bills are not always a clear indication of residency. Websites exist that can help to verify addresses and phone numbers. Never accept a post office box as a residence address. Know the mailing facility addresses in your community.
- Watch for rewrites of vehicles previously owned by household members or operators on another policy and vehicles which show as a gift on the RMV-1 form. Sometimes, new policies covering vehicles "gifted" from household members are an attempt to avoid earned premium or avoid listing certain operators. Verify the past payment history as well as license history of the applicant and operators.
- Ask questions about the possibility of other operators when encountering customers with multiple vehicles and only one operator. Carefully instruct the applicant on listing all household members and customary operators.
- Should you encounter a request for ATD credit on a vehicle with no certificate of installation or other proof of factory alarm, a visual inspection by the agent may reduce attempts at insurance fraud.
- Agents should strive to obtain copies of the licenses for all listed operators.
- Promptly notify the Company of any suspected fraud in an application for insurance, in the underwriting or rating process, or in payment of premium obligations, or surrounding a loss.

MOTORHOMES

- As defined in the Massachusetts Auto Rules and Rates manual a motorhome is defined as any motor vehicle originally designed or permanently altered as living quarters, which includes cooking, dining, plumbing or refrigeration facilities. Motorhomes are self-propelled vehicles.

- The Collision and Comprehensive premiums are based on the original cost new. For motorhomes with a value greater than $150,000 please refer to your underwriter for approval prior to binding.

- Motorhomes are not eligible for Multi-Car Family or Multi-Car Discount, Annual Mileage discount, Low Frequency, or Continuous Coverage Credit.

PRIOR CANCELLATION

Any risk that has been cancelled or non-renewed by a company for any reason in the last 3 years is ineligible and cannot be bound. These quotes will require that the Notice of Declination be provided to your customer.

Any risk or policy that is scheduled to be non-renewed upon its upcoming expiration cannot be bound and must be referred to Underwriting.