



# Auto

## 8.0 Product and Underwriting Guide

**PROGRESSIVE**  
DRIVE<sup>®</sup> Insurance

## UNACCEPTABLE RISKS

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

### Unacceptable Insureds/Drivers:

- Named insured or any driver who has never been licensed, unless he/she is excluded from coverage;
- Drivers under the minimum age for state licensing;
- Applicants who have been convicted of insurance fraud;
- Applicants who have committed, or had a policy canceled or nonrenewed by us, for fraud or misrepresentation in connection with an application for insurance or in the presentation or settlement of a claim; or
- Applicants who have had a policy canceled or nonrenewed by us because of an unauthorized payment in connection with an application for insurance or a policy.

### Unacceptable Vehicles:

- Vehicles with a principal out-of-state garaging location in Michigan or any province or territory of Canada;
- Vehicles used for:
  - racing;
  - carrying persons or property for compensation or a fee, including but not limited to: limousine, taxi, or other livery services (does not apply to shared-expense car pools), pickup or delivery of magazines, newspapers, food, or any other products;
  - emergency services; or
  - snowplowing.
- Vehicles:
  - equipped with altered suspensions, which are suspensions that are homemade, custom-built, or modified, and include lift kits greater than four inches (usually installed on off-road vehicles or street rods). However, lift kits of four inches or less, low riders with hydraulics, kit cars, dune buggies, sand rails, and bajas are acceptable if registered for street use;
  - not registered for street use; or
  - equipped with cooking equipment or bathroom(s), unless vehicle is added to the policy as a trailer (see *Trailer Coverage* on pages 14-15).
- Pickups, vans, or utility vehicles with a gross vehicle weight rating (according to the manufacturer's specifications) greater than 12,000 pounds;
- Commercial auto types, including without limitation, step vans, and panel vans;
- Vehicles leased or rented to others by the applicant;
- Any vehicles that are regularly available to non-listed drivers;
- Vehicles without a garaging address; and
- Vehicles owned or leased by a partnership or corporation.

### Exceptions:

- The vehicles are customarily operated by the named insured or a resident relative for pleasure or commuting;
- All drivers are household members and are listed on the policy;
- No more than four such vehicles are owned or leased by the partnership or corporation; and
- The partnership or corporation does not engage in a business:
  - of carrying persons or property for compensation or a fee, including but not limited to: limousine, taxi, or other livery services (does not apply to shared-expense car pools), pickup or delivery of magazines, newspapers, food, or any other products; or
  - of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles.

### Unacceptable Policies:

- Two or more private passenger automobile insurance policies issued by The Progressive Group of Insurance Companies for the same household.

### Exceptions:

- Policies with five or more cars must be split into two policies;
  - Children who own their own vehicles; or
  - Unrelated residents/roommates.
  - Policies with vehicles garaged at two different addresses and drivers in two different households.
- ### Exceptions:
- Student or military risks (e.g., spouse of named insured/unmarried child of insured);
  - Named insured has two different households (e.g., one permanent home and one vacation home);
  - Drivers who live at different addresses but all vehicles are garaged at one place; or
  - Husband/wife in the process of divorce and vehicles are still considered community property.
  - Named Non-Owner policies with business use; and
  - Policies on which all vehicles are generally garaged out of state.

*Please see Trailer Coverage on page 15 for additional unacceptable risks.*

# Vehicle Descriptions

## VEHICLE DESCRIPTIONS

Grey Market vehicles are rated using the same symbols that would be used for comparable U.S. vehicles. A copy of the vehicle registration is required for binding to verify that the local jurisdiction's Department of Transportation safety requirements and Environmental Protection Agency emission standards are satisfied.

**Stated amount vehicles** are vehicles requiring Physical Damage coverage which:

- do not have a Progressive-assigned symbol;
- are limited production, classic or collectible vehicles; or
- are private passenger automobiles having more than \$5,000 total custom parts or equipment not installed by the original automobile manufacturer.

Stated amount vehicles cannot have a value exceeding \$250,000.

**Conversion vehicles** are pickups, vans, or utility vehicles requiring Physical Damage coverage that have conversion packages or more than \$5,000 of custom parts or equipment.

**Please note that Progressive does not sell Stated Value or Agreed Value policies.**

**Physical Damage coverage on stated amount vehicles and conversion vehicles provides coverage up to the lesser of actual cash value or the stated amount value specified by the insured. Therefore, the stated amount should be as close to the actual cash value as possible and the stated amount should be reviewed periodically and modified if the value of the vehicle changes.**

## NAMED NON-OWNER POLICY

- A Named Non-Owner policy provides auto insurance for an individual who does not own a vehicle.
- Coverage does not apply to household members.
- BI/PD, PIP, UM/UIMBI, and UM/UIMPD are the only coverages written.
- Physical Damage coverage is not available.
- Business use is unacceptable.
- Filings are acceptable (operator only).
- Higher liability limits are acceptable.

## GARAGING ZIP RATING

Just enter the ZIP code where the vehicle is principally garaged and your quoting system will automatically assign the proper rating factor.

Your quoting system may automatically verify the garaging ZIP code as part of the point of sale process. If it cannot verify the ZIP code, you may be required to fax proof of the garaging address to Progressive. A message on your quoting system will list acceptable forms of proof. If the proof is not sent or does not support the garaging address on the policy, the rate may change.

## Acceptable Business Use

### BUSINESS USE

**Acceptable business use includes, but is not limited to:**

- vehicles used by sales or service representatives or for consumer-oriented direct home sales (e.g., Avon, Mary Kay, Tupperware);
- vehicles used by real estate or insurance agents, lawyers, doctors, accountants, or other professionals visiting multiple locations;
- vehicles owned by the insured and used by domestic employees (e.g., maids, chauffeurs);
- vehicles used in a business for occasional errands; and
- vehicles used to transport tools or other materials by the insured in a trade or business, if all of the following conditions are met:
  - there is only one vehicle in this category on the policy;
  - the insured visits no more than two job sites per day;
  - the vehicle is owned or leased by an individual, not a corporation or partnership;
  - the vehicle is operated solely by the named insured or other resident relative;
  - the vehicle is not used to transport explosives, chemicals, flammable materials, or more than 500 pounds of supplies or equipment; and
  - the vehicle does not have a load capacity of one ton or greater or a gross vehicle weight rating (according to the manufacturer's specifications) greater than 12,000 pounds.

**Unacceptable business use includes, but is not limited to:**

- pickup or delivery of goods (including but not limited to: newspapers, pizza, or other food items), limousine or taxi services, and livery conveyance, including not-for-hire livery (see also *Unacceptable Risks* on page 3);
- vehicles with a load capacity of one ton or greater or a gross vehicle weight rating (according to the manufacturer's specifications) greater than 12,000 pounds; and
- trailers used for business purposes (see *Trailer Coverage* on page 15).

**Vehicles owned or leased by a partnership or corporation:**

The following are acceptable in the Progressive Drive program if all of the following conditions are met:

- the vehicle is ordinarily operated by the named insured or a resident relative for pleasure or commuting;
- all operators are household members and are listed on the policy;
- no more than four such vehicles are owned or leased by the partnership or corporation; and
- the partnership or corporation does not engage in a business that:
  - carries persons or property for compensation or a fee, including but not limited to: limousine, taxi, or other livery services (does not apply to shared-expense car pools), or pickup or delivery of magazines, newspapers, food, or any other products; or
  - sells, leases, repairs, parks, stores, services, delivers, or tests vehicles.

Corporations or partnerships cannot be listed as a named insured, but may be listed as an "additional interest insured."

**If a risk is not acceptable because of business use, please contact our Commercial Auto Division at 1-877-776-2436 (press menu option #2).**

### PLEASURE, COMMUTE, AND FARM USE

**Pleasure:** vehicles not used for business/commercial purposes or commuting to work or school.

**Commute:** vehicles used to drive back and forth to work or school.

**Farm:** vehicles used primarily on a farm, ranch, or orchard.

# Driver Information

*All members of the household of eligible driving or permit age must be listed or excluded whether they drive or not.*

## DRIVER INFORMATION

### Driver/Vehicle Assignment

We do not require you to assign drivers to specific vehicles. We determine an average rating factor for rated drivers and then apply that factor to all vehicles on the policy. If there are more drivers than vehicles on the policy, the highest rated drivers (up to the number of vehicles on the policy) are used. For certain policies with youthful drivers, we will use an alternative driver/vehicle assignment calculation that considers their occasional operator status.

The term "eligible-to-be-rated driver" refers to any person who is required to be disclosed on the application (all resident relatives above the legal driving age and any other person who regularly or frequently drives a covered vehicle), other than excluded drivers and drivers with learner's permits.

### Driver Exclusions

While designating a driver as "excluded" may increase the policy premium, the violation and accident history of the excluded driver does not affect premium.

- You may exclude any driver from the policy except individuals requiring an SR-22 filing (see *Filing Information* in the next column).
- We will consider unlicensed operators for rating, unless excluded.
- You cannot exclude drivers from specific vehicles on a policy.
- Individuals who have never been licensed are unacceptable risks and must be excluded.

### Second Named Insured

Two named insureds may be listed on a policy. A second named insured can be designated by entering "yes" in the Second Named Insured field in your quoting system. The designated individual will be shown as second named insured on the declarations page. The second named insured does not have to be the named insured's spouse.

### Driver Marital Status

Only those drivers who are legally married or deemed married by state law will be classified as married. Drivers who are single, widowed, legally separated, divorced, or in a relationship that is not recognized by the state will be classified as single.

## TEEN/YOUTHFUL DRIVER

We are pleased to offer incentives designed to help increase your policy retention for households with drivers under the age of 23. Our teen/youthful driver incentives help make Progressive Drive more attractive to your customers with young drivers in the household.

### Permit Rating

Drivers who have a learner's permit, are single, under the age of 19, and are children of the named insured will not be included in the rating of the policy.

Non-rated permit drivers will be rated at renewal when they reach the minimum licensing age for the state.

### Minor Child Discount

Licensed single drivers who are under the age of 19 and are children of the named insured will receive a discount if the

policy qualifies for a Gold, Platinum, or Diamond level discount. This discount will be applied at the earlier of:

- the endorsement date when adding the minor child to the policy; or
- the first renewal upon meeting the 12-month requirement.

### Distant Student Discount

Licensed drivers other than the named insured or spouse who are full-time students under the age of 23 will receive a discount if the following conditions are met:

- students do not have regular access to a covered vehicle while away at school; and
- students must reside at a school at least 100 miles away from the nearest garaging ZIP code shown on the policy.

This discount will not apply if the Minor Child Discount has already been applied.

### Good Student Discount

Licensed drivers who are under the age of 23 and the child of the named insured will receive a discount if:

- the driver is a full-time student taking three or more classes;
- the driver maintains or achieves:
  - a grade point average of B or equivalent;
  - a grade point average of 3.0 or equivalent; or
  - Dean's List, Honor Roll, or comparable listing.

Proof that includes the student's name, policy number, and date of proof (dated within the past six months) must be mailed, faxed, or emailed to Progressive.

## LICENSE STATUS/TYPES

### Revoked, Suspended, Canceled License

- Drivers with a temporarily revoked, suspended, or canceled license at any time during the chargeable violation period will be considered for rating.

### Foreign (FDL) and International Driver's Licenses

Drivers who have a valid foreign or international driver's license, but not a valid U.S. or Canadian license, will be charged two points until the renewal after which they are able to submit proof of a valid U.S. or Canadian license that has been in effect for at least 12 months.

Enter "FDL" violation code in your quoting system.

### Filing Information (SR-22s)

Individuals with a filing cannot be excluded.

Filings will be provided for drivers in all U.S. states **EXCEPT** Delaware, Kentucky, Maryland, Massachusetts, Michigan, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Pennsylvania, and West Virginia.

The liability limits must meet statutory limits for the state requiring the filing.

The name on the filing **must appear exactly as it reads on the driver's license.**

Filings are not available for a driver with an unverifiable driving record. If we are unable to verify the driving record of a driver requiring a filing, the policy is subject to cancellation.

There is a \$25 fee charged by us for this service. See page 10 for applicable surcharge.



## Chargeable Date and Period

- We use the violation occurrence date, not the conviction date, to determine if points are to be charged.
- The period for chargeable violations is the 35 months prior to the effective date of the policy.

## Unverifiable Driving Record (UDR)

When a driver's driving record cannot be verified by a state's Bureau of Motor Vehicles, we will assess that driver the number of points associated with a major violation. The points will be removed if we receive a valid MVR within 30 days of policy inception. The date the points are assigned will be the day before the inception date of the policy.

Drivers 18 years of age and younger will not be charged unverifiable driving record points. Drivers 19 years of age or older with a learner's permit will not be charged during the first policy period; however, the points will be assessed during the second and subsequent policy periods if an MVR remains unobtainable.

## Multiple Violations

If an occurrence results in multiple violations or accidents, the driving record points for that occurrence will be based on the violation or accident with the highest point charge.

## Not-At-Fault Accidents (NAF)

- All accidents are considered at-fault unless proof of not-at-fault is provided.
- Examples of proof of NAF documents include:
  - a copy of the police report or court documents;
  - a letter from the previous carrier; or
  - any other documentation which proves not-at-fault.

We will also accept details of NAF from the agent or customer such as:

- the vehicle was lawfully parked at the time of the accident;
- the accident was caused by collision with a bird or animal;
- the vehicle was struck by a "hit-and-run" driver;
- a driver other than the driver of the insured's vehicle was convicted of a moving violation in connection with the accident; or
- the owner or operator of the insured's vehicle was reimbursed (or received judgment against another) for more than 50 percent of the property damage.

**Please keep these documents in your agency files.**

## ACCIDENT FORGIVENESS

### Unlimited Small Accident Forgiveness

Progressive will waive any small accident claims that occurred while the driver was insured with Progressive if the company's total payout on a claim was equal to or less than \$500. The payout amount used will not include the deductible paid by the customer. There is no limit to the number of small accident claims that will be waived.

This rule applies to any claims that occurred during the policy period immediately preceding the implementation of this rule and to all subsequent policy periods while this rule is in effect.

This rule also applies to Progressive rewrites, as long as there is a valid reason for rewriting the policy, the claim occurred while the insured was with Progressive, and the claim has a payout that is equal to or less than \$500.

### Accident Forgiveness at Renewal

An insured will not be charged for an at-fault accident if all the following conditions are met:

- the claim was reported to us;
- the policy has been in force with us for at least 48 months;
- the policy did not have any other chargeable accidents during the prior 35 months;
- the driver and vehicle were listed on the policy when the accident occurred; and
- there are no other waived accidents on the policy, excluding those that meet the criteria for our unlimited small accident forgiveness.

## THREE YEAR SAFE DRIVING BONUS

The discount is applied to the policy at renewal when there are no pointed violations or accidents on the expiring policy; the policy qualifies for Preferred status; no more than one violation (MAJ, MIN, SPD, DWI, NAF or CMP) is being added to the policy; and the Three Year Safe Driving Discount has been removed.

## VIOLATION LENIENCY

Any eligible-to-be-rated driver will receive a discount at renewal if the driver has no pointed violations or accidents on the expiring policy; the policy qualifies for Preferred status; and no more than one violation (MIN or SPD) is being added at renewal for that driver.

# Underwriting/Rating

Our underwriting/rating methods take several factors into account when developing a premium. These factors include, but are not limited to:

## 1) Prior Insurance:

- Prior insurance means the named insured has proof of private passenger automobile liability insurance which verifies that the previous policy covered the named insured or spouse and provided six months' continuous Liability coverage. Prior limits are those limits in force on the most recent policy for a minimum of six months and include only bodily injury limits—not property damage limits.
- Lapse days and prior limits.
- After 36 months, all policies will automatically be re-underwritten for prior insurance status and moved to the best tier he/she would now qualify for provided that he/she has maintained a clean payment and violation/accident history during the prior 24 months. Policies that do not move as a result of not meeting the latter requirements will be re-evaluated for movement at each subsequent renewal until successful.

## 2) Prior Carrier:

- Progressive offers lower rates to customers moving to us from select other preferred carriers. Customers with valid proof of prior insurance (POP) from these carriers will receive lower rates than other POP customers effective April 1, 2008. Our rating software will apply the correct rate automatically when the carrier is selected.

## 3) Preferred Status:

A policy is eligible for Preferred status if all the following conditions are met:

- The named insured has prior coverage for the preceding six months with no lapse in coverage;
- The named insured's primary residence is a house or condominium that he/she or his/her spouse owns; and
- The total number of incidents on the policy is less than or equal to the number of vehicles on the policy. An incident includes an at-fault accident, a not-at-fault accident, a minor moving violation or speeding violation.

In addition, all drivers on the policy must meet the following conditions:

- No driver may have more than one at-fault accident or two total incidents;
- No driver may have a violation classified as MAJ or DWI;
- No driver has a suspended or permanently revoked license; and
- No driver requires a financial responsibility (SR-22) filing.

## 4) Residency Rewards:

- Residency Rewards is designed for insureds who do not have prior insurance coverage or who have a lapse in coverage greater than 31 days. To qualify for Residency Rewards, the named insured must be able to provide proof of residency of one year or more at their current address. This applies to customers who own or rent. If appropriate, your quoting system will prompt you to fax in proof.

## 5) Education in Rating:

An education rating factor will be applied based on the highest level of education completed by either the named insured or his/her spouse. Policies written before the addition of the education rating factor will be rated using a neutral factor unless the named insured contacts us and provides education information. In these instances, education will only be used if it results in a lower premium.

## 6) Financial Responsibility:

- To order this information, simply follow the instructions in your quoting system. Please be sure to read the customer the short disclosure that appears on the screen.

Include full name, address, and Social Security number to avoid inaccurate or unavailable financial responsibility information. **(A customer has the right not to provide his/her Social Security number, but we may not be able to confirm financial responsibility.)**

A customer who suspects inaccuracies in his/her credit report can obtain a copy of the report by calling the credit bureau after the confirmation is completed. You cannot request this information—only the customer may contact the credit bureau vendor.

- See the Quote Status/Consumer Information tab for the credit vendor's address and telephone number.
- For information about the Credit Information Team, see the Progressive Services section of this Product Guide.
- All policies will automatically have a new financial responsibility report ordered every 36 months from the time of their last report, or as often as 12 months if requested by the named insured.

# Fees and Discounts/Surcharges

## FEES

Fee Type	Amount	Conditions
Burglary and Theft Prevention	Varies	*A six-month \$1.00 assessment will be charged for each vehicle carrying liability coverage.
Non-EFT Installment	\$5-\$7	For each payment made via any method other than EFT. Fee amount varies by market and also applies to initial renewal payments.
EFT Installment	\$1-\$3	For each installment payment made via EFT. Fee amount varies by market and also applies to initial renewal payments.
Late	\$10	When either the minimum due is not paid or payment is postmarked more than two days after the bill due date. With the Early Invoice bill plan, the fee will be charged if payment is postmarked after the bill due date.
Non-sufficient Funds (NSF)	\$20	If our bank returns a customer's payment check due to non-sufficient funds in an account, we will assess a \$20 fee to the customer's policy account and, in most cases, issue a notice of cancellation immediately. <b>To avoid cancellation</b> , the customer must remit the original payment plus the \$20 fee prior to the cancellation date. If the NSF was on the initial payment of the policy, the coverage will be null and void.
Policy	\$50	A fully earned policy fee charged on each new and renewal six-month policy period.
SR-22 Filing	\$25	For each driver requiring a filing; charged only once per policy period.

\*Named Non-Owner and Physical Damage Only policies will be excluded from this charge. This assessment is remitted to the Automobile Burglary and Theft Prevention Authority Fund and is nonrefundable in the event of policy cancellation.

NOTE: All fees are fully earned on all cancels.

## DISCOUNTS AND SURCHARGES

Discount	Requirements
Advance Quote	<b>The quote must be initiated by the customer</b> (not the agent) more than seven days before policy effective date. The named insured (NI) must have prior insurance with no lapse in coverage. The discount will not apply if the NI is single and excluded from the policy; or if the NI is married and the NI and his/her spouse are both excluded from the policy.
Continuous Insurance	The NI has been continuously covered by private passenger automobile liability insurance for at least six months with a lapse of 31 days or less. The discount is applied at one of four levels, based on the following criteria: Silver: 6-11 months of continuous insurance Gold: 12-35 months of continuous insurance Platinum: 36 or more months of continuous insurance Diamond: continuously insured with Progressive for four or more years The level is determined at inception of the Progressive policy and is evaluated at each renewal. Once the NI has been covered by the Progressive policy longer than he/she was insured by his/her previous carrier, his/her Progressive tenure will determine the discount level received. After the customer has been insured with Progressive for 48 or more months, they will qualify for the Diamond level of the discount. A policy that did not qualify for the discount at new business will receive the Silver Level Discount at first renewal for six-month policies and the Gold Level Discount at the first renewal for annual policies.
Distant Student	The licensed driver is a full-time student under age 23 and is not the NI or spouse. The driver does not have regular access to the covered vehicle while away at school. School is at least 100 miles from the nearest garaging ZIP code shown on the policy.
EFT	If the customer selects an EFT bill plan at POS, he/she will receive a discount. The new business initial payment must be paid via the insured's checking account (EFT) or by credit card. The discount will also apply to endorsements and renewals if the insured switches to or maintains an EFT bill plan.
Five Year Accident Free	None of the eligible-to-be-rated drivers have had any occurrences of an at-fault accident in the past 59 months; the NI is minimum licensing age plus five or more years; the policy has prior insurance without a lapse or with a lapse of 31 days or less; and none of the eligible-to-be-rated drivers have any occurrence of an unverifiable driving record (UDR) or foreign driver's license (FDL) in the past 35 months. If a policy which previously had no prior insurance or had a lapse in coverage of more than 31 days has been in force with Progressive for at least 24 months, the policy is considered to have prior insurance. The discount applies to both new and renewal policies. The discount will be removed if an eligible-to-be-rated driver who does not meet the criteria is endorsed on the policy.
Good Student	The licensed driver is under age 23 and is not the NI or spouse. The driver is a full-time student (three or more classes) who maintains a grade average of B or equivalent; 3.0 grade point average or equivalent; or achieves the Dean's List, Honor Roll, or comparable listing. Proof that includes the student's name, policy number, and date of proof (dated within the past six months) must be mailed, faxed, or emailed to Progressive.



## Fees and Discounts/Surcharges (Cont'd)

### DISCOUNTS AND SURCHARGES (CONT'D)

Discount	Requirements
Homeowner/Package	The NI or spouse's primary residence must be a home, townhome, or condominium. This does not apply to mobile homes. Proof of home ownership can be any combination of documents that indicates name, address, and proof that the customer owns, is making payments on, or is insuring the home.
Minor Child	The licensed single driver is under age 19 and is the child of NI. The policy qualifies for the Gold, Platinum, or Diamond level of the Continuous Insurance Discount. Will not apply on the segment of policies with youthfuls using the alternative driver/vehicle assignment calculation.
Mobile Home Owner	The mobile home is owned by the NI or spouse.
Multi Car	There is more than one vehicle on the policy.
Multi Policy	<p>The NI and/or spouse has purchased an additional non-auto policy from us; the additional policy may be a Motorcycle, Motor Home, Travel Trailer, Boat/Personal Watercraft, Snowmobile, Mobile Home, Commercial Auto, Personal Umbrella, or Progressive Home Advantage policy. The discount applies to both new and renewal policies. No more than one Multi Policy Discount will apply.</p> <p>The additional policy must be in effect and will be verified at point of sale and at renewal. The discount will be removed if the non-auto policy cannot be verified.</p>
Paid In Full	The customer pays 100 percent of the quoted premium at point of sale not using outside premium financing.
Paperless	<p>The NI elects to receive policy documents electronically instead of by conventional mail and must provide and maintain a valid email address.</p> <p>If the NI elects the paperless option mid-policy period, the discount will be effective on the day he/she confirms his/her paperless preference via the company.</p> <p>If the insured requests that policy documents be sent by conventional mail, the discount will be removed.</p>
Snapshot	Thirty days after a customer has installed the Snapshot device in the Onboard Diagnostic (OBD) data port in their vehicle dashboard, they will receive a discount of up to 30 percent. At the end of their six-month policy period, we'll calculate the renewal discount for that vehicle. The discount will remain on the policy until we ask for a new snapshot of their driving.
Three Year Safe Driving	None of the eligible-to-be-rated drivers have any occurrence of an AAF, MAJ, MIN, SPD, DUI, or NAF class code or a CMP violation code in the past 35 months; the NI is minimum licensing age plus three or more years; and the policy has prior insurance without a lapse or with a lapse of 31 days or less. (Exception: CMP and NAF incidents that occur after the original policy inception will not affect discount eligibility.) If a policy which previously had no prior insurance or had a lapse in coverage of more than 31 days has been in force with Progressive for at least 24 months, the policy is considered to have prior insurance. The discount applies to both new and renewal policies. The discount will be removed if an eligible-to-be-rated driver who does not meet the criteria is endorsed on the policy.
<b>Surcharge</b>	
Business Use	The vehicle is used for business purposes.
SR-22	Applies when any eligible-to-be-rated driver has an SR-22 filing, which can be either Type 2 (any vehicle operated) or Type 3 (any vehicle owned or operated) filings.

## UPLOAD ONLY

You must upload all Progressive Drive policies through your quoting system. We will not pay commission on paper applications.

## POINT OF SALE (POS)

### Credit, MVR, CLUE, and VIN Verification

Use your quoting system's point of sale (POS) feature to order your customers' credit reports, MVRs, and CLUEs, and to verify their VIN during the quoting process. POS allows you to review all data with your customers and produce the most accurate quote possible, which reduces uprates and increases customer satisfaction and retention.

### MVR Costs

Progressive will pay 100 percent of the cost of MVRs that result in the sale of Progressive Drive policies. If less than 70 percent of the MVRs your agency ordered result in sales of Progressive Drive policies, you will be charged 100 percent of the cost of the MVRs for the unsold policies. If 70 percent or more of the MVRs your agency ordered result in the sale of Progressive Drive policies, we will cover the full cost of all MVRs.

### Additional Driver Discovery

POS may attempt to determine whether there are additional drivers in your customer's household by ordering a report from LexisNexis. If the report indicates that additional drivers may reside in the household, you should add or exclude the drivers, or send an explanation (via your quoting system notes) as to why the drivers are not being added. Appropriate follow-up for proof of non-residency may be undertaken by Customer Service in cases in which the driver was not added to the policy.

### Outstanding Customer Balance Verification

POS will verify whether your customer has an outstanding balance from a previous Progressive policy. If so, your customer will have to make the initial payment in addition to paying the outstanding balance before you can sell the policy. If POS also finds that your customer has a record of an NSF with us, your customer will need to pay the outstanding balance and initial payment with cash or by credit card to complete the sale.

### Uninsurable Risk Verification

POS will verify whether your customer has ever been cancelled or not renewed by us due to: misrepresentation, misrepresentation on a claim, fraud/misrepresentation on an application, fraud on a claim, lack of cooperation in a fraud investigation, or record of an unauthorized or counterfeit payment. If POS determines that the named insured is an uninsurable risk, your quoting system will inform you and you must tell the customer. You will not be able to complete the quote.

## AGENT NEW BUSINESS BINDING

Original applications will be bound as of the effective date on the application if:

1. the application does not include any class of risk or type of insurance not specified in the underwriting requirements;
2. you do not know or have reason to know that the information contained within the application is false, inaccurate, or misleading; and

3. as of the requested effective date and time on the application, all of the following requirements have been met:

- you have received a request for coverage as reflected in the application;
- the initial payment has been made and any outstanding balance (if applicable) has been paid;
- a complete quote from you is registered electronically in our quoting systems; and
- the application and all applicable documents are complete and have been made available to the applicant for review.

**Agents do not have authority to issue policies, endorsements, or cancellation notices unless specifically authorized by us in writing to do so.**

## ENDORSEMENTS

Process your endorsements online at our agency-dedicated website, FAO. Our website is designed to handle your customers' endorsement needs and save you time. And while on FAO, you can also access and print policy documents, including declarations pages, ID cards, bills, and renewal notices.

## FAXED DOCUMENTS

The following transactions require a signature and must be faxed:

- agent of record changes (fax this prior to policy renewal—we do not make these changes mid-policy period);
- changes or deletions of the named insured;
- coverage rejections or reductions; and
- proof documents or signatures for discounts.

## BINDING RESTRICTIONS GUIDELINES

We will not honor Physical Damage coverage that you bind in any area where a hailstorm, hurricane, tropical storm, tornado, or flood watch, warning, or occurrence is in effect at the time of binding.

## CANCELLATIONS

**Customer Request**—If we cancel a policy due to customer request or nonpayment of premium, we will calculate any refund due pro-rata and charge a policy fee.

**Company Cancel**—We will refund premium prorata for the period from the date of cancellation to the expiration date.

**Flat Cancellations**—Not permitted after policy inception.

**Loss Payee**—Company mails notice of cancellation unless loss payee submits written release of their copy of the policy.

**Duplicate Coverage**—Cancellation requests due to duplicate coverage must be accompanied by a copy of the declarations page from the current carrier showing coverage and effective date.

**Effective Date/Time**—12:01 a.m. on cancellation day.

Installment payments postmarked the day of cancellation will be accepted, and the policy will remain in force.

If the payment is postmarked or uploaded **after** the date of cancellation, we will not reinstate the policy.

# Processing (Cont'd)

## RENEWALS

We will send a renewal quote to you and your customer prior to the policy expiration.

The customer should pay the premium directly to Progressive by the expiration date (or you can upload through the Automated Policy Services System) to avoid a lapse in coverage.

If the payment is postmarked within 90 days after the expiration date, we will renew the policy with a lapse in coverage one day after the postmark date. If the payment is postmarked more than 90 days after expiration, the policy must be rewritten.

**EFT Payment**—We will notify the customer that funds will be withdrawn automatically at renewal if an EFT payment option is selected. If the customer does not want the funds to be withdrawn by EFT, you can remove the EFT option permanently or for just the next payment due via FAO; or the customer can make that change at ProgressiveAgent.com.

We will adjust quotes for any additional violations or accidents that occur before the current policy expiration date.

## RATE STABILITY WITH RATE CAPPING

To increase customer satisfaction, we cap significant premium changes on renewal policies that are due to changes in our rating structure. Renewal premium increases will be capped at five percent before vehicle and driver changes or accident and driving violations are applied. This process will take place at every renewal.

## GARAGING ZIP CODE VERIFICATION

Before renewal quotes are mailed to customers, we may automatically verify the garaging ZIP code listed on the policy. If the garaging ZIP code cannot be verified, we will send a notice to the customer asking that he/she provide proof of the garaging address. The notice lists acceptable forms of proof that can be mailed or faxed to the company. If the customer does not provide valid proof as requested, he/she could receive a premium increase. If the address provided during verification is for an out-of-state ZIP code, the customer's policy may not be renewed.

## REINSTATEMENTS

Under certain circumstances, we allow reinstatement of eligible Personal Auto policies after mid-policy period cancellation due to nonpayment of premium. To be eligible for reinstatement, the policy must be within 30 days of the cancellation date and meet a number of additional criteria. The named insured or the second named insured must call Progressive within the 30-day time period to request the reinstatement. This process does not apply to policies that are nonrenewed due to the customer's failure to make the initial renewal payment. FAO will indicate when a policy may be eligible for reinstatement, and let you know how to proceed.

Whether or not the policy is eligible for reinstatement, the customer may opt to have the policy rewritten. In this case, a new application must be submitted and the policy rated and uploaded via your quoting system to obtain coverage. Note that the rate for a rewritten policy might be different than the rate for a reinstated policy, so both options should be presented.

## FILE MAINTENANCE AND AUDIT REQUIREMENTS

Just prior to upload, your quoting system will display a list of documents that are to be kept in your agency files.

Please remember to obtain all necessary signatures and documents when you complete a new business application or make policy changes, and then keep them in your files at least five years after the expiration or cancellation of the policy or all claims on that policy have been closed, whichever is later. Please remember that this is the time period required by Progressive; there may be additional document retention obligations in Texas. To ensure compliance with your state regulations, please check with the Department/Division of Insurance.

According to the producer's agreement, signed by both your agency principal and Progressive when you became licensed to sell Progressive, you are responsible for producing all correctly completed signature forms/proof documents upon our request. Should a claim arise and requested documents not be available, an E & O exposure may exist.

In the event the policy is to be electronically signed by the customer through our e-Signature process, you will be responsible for obtaining all necessary signatures on applicable policy documents and ensuring that the customer completes the process correctly. E & O exposure may exist should the customer fail to complete the e-Signature process. We will archive all e-signed policy documents and make them available to you for viewing/printing via FAO.

**Acquired/Transferred Business**—If you acquire a policyholder who is currently insured by one of The Progressive Group of Insurance Companies, either through an agent of record change or through the transfer or purchase of another agency's book of business, you must immediately obtain, from the prior agent or agency, all original signed applications (including exclusions and rejections of optional coverage) and all other records relating to that policy. Such records must be maintained in accordance with the terms of the producer's agreement and all applicable state laws.

Routine audits will be performed on random files. You will be required to provide file maintenance documentation to a company representative during an on-site visit or fax audit.

**Fax Audits**—You will receive a list of required documentation that must be faxed to our office no later than two days after the request. Failure to submit the documentation will result in a failed audit.

**For additional processing guidelines for trailers on an Auto policy, please see [Trailer Coverage](#) on page 15.**

## QUOTING "5+ CAR" NEW BUSINESS

### Coverages:

BI/PD, UM/UIMBI, PIP, and Med Pay limits must be the same on all policies.

### Vehicles:

Your quoting system can only accept four vehicles per policy. Therefore, you will need to split policies to accommodate five or more vehicles. When you generate a quote, your quoting system will prompt you to indicate whether it is for the second policy of a "5+ car" policy. Answering "Yes" to this question will generate a Multi Car Discount and will prevent a policy fee and installment fee from being charged on the second policy.

### Drivers:

- The named insured must be the same on the policies to match the market between the policies.
- The named insured's spouse (if applicable) will need to be listed on both policies.
- If a driver is to be excluded from coverage, the excluded driver should be listed and excluded on each policy. A signed exclusion is required for each policy.

### Primary (first) policy:

Include all violations, at-fault accidents, not-at-fault accidents, and comp claims for the named insured and named insured's spouse (if applicable).

All other drivers and their complete driving record need to be listed on the **primary policy only**.

If a driver requires a filing, the filing is listed on the **primary policy only**.

### Secondary policy:

Include only not-at-fault accidents and comp claims for the NI and NI's spouse (if applicable); these are used in determining market.

### Financial Responsibility Information:

Financial Responsibility (FR) will be ordered for the named insured on each policy.

**Note: The second FR order will not appear on your customer's credit report as long as the second order is within 60 days of the primary policy order.**

### Bill Plan:

- When you indicate that your additional policy is for a "5+ Car" policy, your quoting system will automatically provide the current correct bill plan options for "5+ Car" policies.
- The "5+ Car" Bill Plan does not charge installment fees or a policy fee. It also allows a Multi Car Discount even when the secondary policy has only one car.

### Not Available with the "5+ Car" Bill Plan:

- Customer-selected due date.
- Paid In Full Discount (even if the total premium is paid with the application or renewal).

## ADDING A "5+ CAR" MID-POLICY PERIOD

If a customer wants to add a fifth vehicle to the policy mid-policy period, you must upload a second application. Indicate in your quoting system that the application is for a "5+ Car" policy. Quote the secondary policy on your quoting system using the current rate revision. The existing policy may be in a different rate revision. **(Note: You must obtain required signatures for each policy.)**

### Coverages:

- Include the same BI/PD, UM/UIM, PIP, and Med Pay limits as on the existing Progressive Drive policy. If limits on the existing Progressive Drive policy need to be changed, quote the new policy with revised limits.
- Request any coverage changes needed on the existing Progressive Drive policy through your quoting system's Notes function or by calling Customer Service.
- Follow same procedures as "Quoting '5+ Car' New Business" for vehicle, driver, underwriting information, and bill plans.

### Proof of Prior:

Answer these questions in your quoting system:

1. Insured/Spouse had continuous insurance for the past six months? If the primary Progressive Drive policy is "Yes," answer "Yes." If the primary Progressive Drive policy is "No," determine if the primary Progressive Drive policy has been in effect for six months and answer accordingly.
2. Expiration Date? "Inception date of 5+ car/2nd policy."
3. Do you currently have Progressive Drive? If primary Progressive Drive policy was "No," answer "No." If primary Progressive Drive policy was "Yes," answer "Yes."

### "5+ Car" Bill Plan:

- When you indicate that your additional policy is for a "5+ Car" policy, your quoting system will automatically provide the current correct bill plan options for "5+ Car" policies.
- The "5+ Car" Bill Plan does not charge installment fees or a policy fee. It also allows a Multi Car Discount even when the secondary policy has only one car.

### Not Available with the "5+ Car" Bill Plan:

- Customer-selected due date.
- Paid In Full Discount (even if the total premium is paid with the application or renewal).

**For additional information about adding a trailer to a 5+ car policy, please see [Trailer Coverage](#) on page 15.**

# Trailer Coverage

## INTRODUCTION

We are pleased to provide basic coverage for trailers valued up to \$50,000 as part of our Personal Auto program in Texas. You can now include a trailer on a Progressive Drive policy (containing at least one private passenger automobile) to provide basic Comprehensive, Collision, and Contents coverage for the customer's trailer. This means you don't have to sell a separate Recreational Vehicle or Commercial Auto policy to meet your customers' needs.

## TRAILER DEFINITIONS

Travel trailers and campers are non-motorized, portable units designed to provide living quarters for recreational or camping use and do not require a special highway permit when towed. Utility, horse, and homemade trailers are designed primarily to haul animals and/or property and do not require a special highway permit when towed. Trailers kept at one location and used seasonally are acceptable if they can be easily hitched to a tow vehicle and moved. The wheels, axles, suspension, and towing equipment must be present and functional. The trailer should not be on blocks nor have permanently attached utility connections or any other structures, porches, or skirting. The lot the trailer occupies must be secure during non-use time.

### Trailer Types

Conventional travel trailer



Fifth-wheel travel trailer



Pop-up travel trailer



Mounted camper



Utility trailer



Horse trailer



Homemade trailer



## AVAILABLE COVERAGE

The primary vehicle on the policy must be a private passenger automobile. A trailer can then be added as an additional vehicle. Trailers included on a Progressive Drive policy are eligible for the following coverage options:

- Comprehensive only
- Comprehensive and Collision
- Comprehensive and Contents
- Comprehensive, Collision, and Contents

### Comprehensive and Collision

If the customer has Comprehensive and/or Collision coverage on at least one auto, the first \$500 of Comprehensive and/or Collision coverage for a trailer on the policy is included at no charge.

The customer can purchase additional Comprehensive and/or Collision coverage for the trailer if he/she has already purchased Comprehensive and/or Collision coverage for at least one auto on the policy and the value of the trailer is greater than \$500 plus the trailer deductible.

If the customer does not purchase Comprehensive and/or Collision for at least one auto on the policy, the value of the trailer must be greater than the trailer deductible.

In the event of a claim, coverage is based on the actual cash value (ACV) of the trailer. Maximum trailer value is \$50,000.

### Contents

This coverage must be purchased separately and is available for the trailer **only**—it cannot be purchased for a private passenger auto. Maximum available coverage is \$5,000.

### Liability

Liability is not available for a trailer added to an Auto policy. However, Liability coverage for the primary auto will extend to the trailer while it is being towed. If the vehicle does not have Liability coverage, neither will the trailer.

### Deductibles

Comprehensive and Collision coverages for a trailer are provided at the same deductible as the primary auto. Contents coverage is provided with a \$100 deductible.

## RATING BASE

The rating base is the current market value of the trailer, including all permanently attached equipment declared on the application. Maximum trailer value is \$50,000. Maximum contents coverage is \$5,000.

\$500 of ACV coverage is provided free of charge for Comprehensive and Collision. This does not apply to contents.



## UNACCEPTABLE RISKS

- Trailers with a value greater than \$50,000;
- Contents in excess of \$5,000;
- Contents including any of the following:
  - non-owned self-propelled vehicles or watercraft;
  - owned watercraft, golf carts, or other self-propelled vehicles, except electric wheelchairs or other self-propelled vehicles that are designed for assisting the physically impaired, designed to operate off the public roads, and not subject to motor vehicle registration;
  - deeds, documents, records, bills, money, non-owned coin collections, non-owned stamp collections, negotiable instruments, notes, securities, or other evidence of debt;
  - any property held for rental to others by the insured or a relative;
  - any property of the insured's employees; and/or
  - birds, livestock, or any other animals.
- Trailers used for business purposes. (We encourage you to quote Progressive Commercial for these risks.); or
- Recreational trailers that need additional Liability or Property Damage coverage not offered through Progressive Drive. (We encourage you to quote Progressive Recreational Vehicle insurance for these risks.)

## PROCESSING GUIDELINES

Please follow these guidelines when determining which Progressive product is suitable for a particular risk:

AUTO	SPECIAL LINES	COMMERCIAL AUTO
Trailers that need only basic coverage for Comp/Collision, Contents, and Liability (Liability applies only while the trailer is under tow)	Trailers with multiple owners or Collision, Contents, and additional interest Trailers with non-professional conversions Trailers used as a primary residence Trailers requiring full-time Liability Trailers requiring Physical Damage coverage in excess of the limits available on an Auto policy	Trailers with any business use

When including a trailer on a Progressive Drive policy, simply add it as a separate vehicle. Please note the following:

- The trailer cannot be listed as the primary auto on the policy;
- The trailer will not count toward a Multi Car Discount or any other discount;
- There will be no ID card for the trailer;
- You must manually fill in the CONTENTS COVERAGE (maximum \$5,000). See *Available Coverage* on page 14 for more information on Contents Coverage;
- When entering a homemade trailer:
  - enter "1901" in the YEAR field
  - do not enter anything in the VIN field
- When adding a trailer to a 5+ car policy:
  - see page 13 for information on quoting and uploading "5+ car" business
  - as noted above, a trailer cannot be the primary vehicle on a policy; this includes the second policy of a 5+ car policy
  - if the trailer is the fifth vehicle, you must:
    - 1) delete one of the vehicles from the first policy;
    - 2) add the trailer to the first policy;
    - 3) put the deleted vehicle on the second policy.

Snapshot uses technology that observes a customer's driving behavior and transmits that information to us. We then use that information to calculate a personalized discount of up to 30 percent, depending on how, how much, and when the customer drives.

When a customer signs up for Snapshot, we send them a device that plugs into the Onboard Diagnostic (OBD) data port in their vehicle dashboard. Once plugged in, the device automatically sends driving information to us using a built-in cellular transmitter. After 30 days, the customer will receive a discount of up to 30 percent. At the end of their six-month policy period, we'll calculate the renewal discount for that vehicle and have the customer return the device to us.

The Snapshot Discount is based on vehicle use, not on individual driver behavior, and cannot be calculated or guaranteed in advance. Data collected will never be used to cancel a policy or settle a claim without the policyholder's consent.

Customers can end their participation in the Snapshot program at any time.

When the customer has completed the driving data collection period, or if they opt out of Snapshot, they must send the device back to us. If they don't return the device, they will be billed \$50.

### Policy Eligibility

The insured must provide a valid email address.

### Vehicle Eligibility

Most model year 1996 or newer vehicles that have the OBD data port are eligible.

Progressive frequently updates vehicle eligibility. If a vehicle is not eligible for Snapshot when you initially provide a quote, it may qualify at a later date.

### Driver Profile

Customers who benefit from Snapshot include:

- Safe drivers
- Households with more vehicles than drivers
- Seasonal and infrequent drivers
- Commuters who use public transportation regularly
- Customers who car pool

For more information about Snapshot, access our Web-based training under "Online Training" on FAO or talk to your account sales representative.

## Pet Injury Coverage

In the event of a loss covered under Collision or Comprehensive coverage, Pet Injury coverage will pay first-party claims up to \$1,000 for veterinary fees incurred as a result of injuries sustained by a dog or cat owned by the named insured or resident relative while riding in an insured vehicle. Pet Injury coverage will also pay \$1,000 if the dog or cat dies as a

result of a covered loss, less any payment for veterinary fees for the pet, or is inside a covered vehicle when it is stolen and the pet is not found.

No deductible applies to this coverage.

## PROGRESSIVE'S CLAIMS SERVICE

Everywhere Progressive does business, we focus on making the claims process easy for your customers by getting to work on the claim fast, communicating clearly throughout the process and personally handling the claim from beginning to end. If your customers' vehicles have been damaged and they choose to have them repaired, we offer them the choice of having their vehicles fixed at a Progressive network repair shop, where the work is guaranteed by the shop and Progressive's Limited Lifetime Guarantee.

We encourage you to tell your customers about Progressive's claims service. You can search for the name of a nearby Progressive network repair shop, including all contact information, on the Claims Activity Report page of FAO.

In a growing number of areas, including Dallas, Houston, Austin and San Antonio, Progressive has introduced claims service centers where customers experience a simpler, more convenient way of getting their cars fixed following an accident. All customers need to do is bring their vehicles to the Progressive service center—our claims professionals do all the rest.

### Reporting a claim

Progressive's claims service is available 24 hours a day, seven days a week to respond to your customers' claims.

**Please let your customers know that they should call 1-800-274-4499 or go to ProgressiveAgent.com to report a claim any time of the day or night, including weekends and holidays.**

Give your customers Progressive claims reporting cards so that they know how to get in touch with us in the event of a claim. To order a supply of these cards for your agency, call Progressive Agency Supplies at 1-877-776-2436.

## ENHANCED GLASS PROGRAM

### Progressive/Safelite

Progressive has partnered with Safelite AutoGlass to service auto and RV glass claims around the country.

#### Features:

- Immediate scheduling of repair/replacement (servicing by next business day);
- Mobile service available;
- Broad network of owned and affiliated shops;
- Lifetime warranty;
- Significant discount off retail price; and
- Free windshield repair with deductible waived if Comprehensive coverage is purchased.

## FAO

ForAgentsOnly.com (FAO) provides you with a wealth of time- and effort-saving functionality. You can use the site to quote Personal Auto policies; process endorsements; make payments; view and print up-to-date policy information, ID cards, and declarations pages; access referrals from Progressive; check the status of your customers' claims; monitor your production numbers and access commission information; and much

more. To register for the password-protected site, go to ForAgentsOnly.com in your Web browser and click on "I Need to Register."

## ONLINE ENDORSEMENTS WITH FAO

Please process your endorsements online at FAO. Doing so saves you time otherwise spent on the phone with Progressive and your customer. And while on FAO, you can access and print policy documents, including declarations pages, ID cards, bills, and renewal notices.

## AGENCY CLAIMS INFORMATION ON FAO

We know it is important for you to be informed when your customers have claims. That's why Progressive provides your agency with your customers' claims information via FAO. Your FAO claims report is updated frequently, and provides a number of benefits, including fast and easy access to your customers' claims information; the ability to sort your information by policy number, claim number, and date of last activity; and access to details such as the claims summary, payment history, and policyholder's coverage information for each claim.

To access your claims report, log in to FAO, go to the Manage Agency menu, and choose "Claims Activity."

## 24-HOUR AGENCY CUSTOMER SERVICE

**Agents: 1-877-776-2436**

If you cannot access the information you need or complete a policy transaction on FAO, you can call Customer Service 24 hours a day, seven days a week.

## AUTOMATED CUSTOMER SERVICE

**Customers: 1-800-876-5581**

Available 24 hours a day, agents and customers can:

- make credit card payments;
- conduct billing inquiries; and
- obtain ID cards and declarations pages.

## CREDIT INFORMATION TEAM

We have introduced a service to help customers understand how and why we use consumer credit reports. This service will also help you address customer questions and concerns about insurance credit scores.

The Credit Information Team is comprised of specially trained customer service representatives who can provide consumers with detailed explanations of what was used in determining their insurance credit scores and assist consumers whose credit is negatively influenced by extraordinary circumstances.

The Credit Information Team is available in Texas through a special toll-free number, 1-800-876-5411.

## AGENCY SUPPLIES

To order Progressive printed materials, contact Agency Supplies via email at Agency\_Supplies@progressive.com or by calling 1-877-776-2436. You will need to provide your agent code at the time you place your order.

**THANK YOU FOR CHOOSING TO SELL PROGRESSIVE DRIVE INSURANCE.**











## Not just Auto!

No matter what vehicles your customers own, you can take care of their insurance needs with Progressive. In addition to Private Passenger Auto, we offer a variety of products:

Special Lines—Coverage for boats, motorcycles, ATVs, scooters, campers, RVs, golf carts, and more.

Commercial Auto—Business insurance for businesses using autos, trucks, pick-ups, vans, shuttles, and more.

### Also coming to more states in the coming year:

Progressive Home Advantage—Three coverage options to meet your customers' needs.

Personal Umbrella—Up to \$5 million in extra protection for your customers.

**Quote more. Sell more. Increase retention. You can do it all with Progressive.**

If you have any questions about our products and services, please contact your account sales representative or call our 24-Hour Agency Services team at 1-877-776-2436.

