



# **Commercial Auto Insurance Agent Guide**

**Indiana**

*Effective April 2024*

## **I. General Information**

### **A. Underwriting Company**

- Unique Insurance Company underwrites Pouch policies.

### **B. Policy Application Submission**

- Policy applications must be completed via the on-line portal and may be signed:
  - Electronically signed by the customer (sent by email) or
  - Signed offline at Agent's office.

### **C. Policy Term**

- Policies are issued for six-month periods.
- Coverage begins as of 12:01 am on the policy effective date.
- Coverage ends as of 12:01 am on the policy expiration date.

### **D. Physical Damage Only Policies**

- Physical damage only policies are not available.

### **E. Cancellations**

- All cancellations will be made on a pro-rata basis.

### **F. Reinstatements**

- Payments are due by their due date.
- Requests for reinstatement beyond the payment due date are subject to underwriting discretion and require a signed Statement of No Loss.

### **G. Claims**

- The insured and/or producer must immediately report all incidents of the claim directly to the company at (844) POUCH-IT (844-768-2448).
- Producers are not authorized to negotiate claim settlements or approve repairs on behalf of the company.

### **H. Payment Plans**

- We offer three payment plans:
  - Paid-in-full.
  - Monthly recurring electronic funds transfer (EFT).
  - Monthly recurring credit card payment.
- Agents may accept the initial down-payment through their sweep account.

## II. Coverages

### A. Bodily Injury

- This is policy-level coverage.
- Coverage is required.
- BI/PD limit options:
  - \$25,000 / \$50,000 / \$25,000
  - \$50,000 / \$100,000 / \$25,000
  - \$100,000 / \$300,000 / \$50,000
  - \$250,000 / \$500,000 / \$100,000
  - \$500,000 / \$500,000 / \$100,000
  - \$1,000,000 / 1,000,000 / \$100,000
  - \$100,000 Combined Single Limit (CSL)
  - \$125,000 Combined Single Limit (CSL)
  - \$250,000 Combined Single Limit (CSL)
  - \$500,000 Combined Single Limit (CSL)
  - \$1,000,000,000 Combined Single Limit (CSL)

### B. Property Damage

- This is policy-level coverage.
- Coverage is required.
- Property Damage Limit Options are shown above.

### C. Medical Payments

- This is policy-level coverage.
- Coverage is optional.
- Medical Payments limit options:
  - \$1,000
  - \$5,000
  - \$10,000

## D. Uninsured and Underinsured Motorist Bodily Injury

- These are both policy-level coverages.
- Coverage is optional.
- Uninsured Motorist (UM) and Underinsured Motorist (UIM) coverage are separate and distinct coverages:
  - UM may be purchased without UIM and UIM may be purchased without UM.
  - Either or both coverages may be rejected entirely
- Uninsured Motorist Bodily Injury and UMPD limit options:
  - \$25,000 / \$50,000 / \$25,000
  - \$50,000 / \$100,000 / \$25,000
  - \$100,000 / \$300,000 / \$50,000
  - \$250,000 / \$500,000 / \$100,000
  - \$500,000 / \$500,000 / \$100,000
  - \$1,000,000 / 1,000,000 / \$100,000
  - \$100,000 Combined Single Limit (CSL)
  - \$125,000 Combined Single Limit (CSL)
  - \$250,000 Combined Single Limit (CSL)
  - \$500,000 Combined Single Limit (CSL)
  - \$1,000,000,000 Combined Single Limit (CSL)
- Underinsured Motorist Bodily Injury Limits
  - \$50,000/ \$50,000
  - \$50,000/ \$100,000
  - \$100,000/ \$300,00
  - \$250,000/ \$500,000
  - \$500,000/ \$500,000
  - \$500,000/ \$1,000,000
  - \$1,000,000/ \$1,000,000
  - \$100,000 CSL
  - \$125,000 CSL
  - \$250,000 CSL
  - \$500,000 CSL
  - \$1,000,000 CSL
- A signed Coverage Selection/Rejection form is required for all applicants.
  - If the waiver is not signed the UMBI limits will be set to equal to the BI liability limits
  - UIMBI limits will be set equal to BI limits ( **\$50,000/50,000 for BI \$25K/\$50K**)
- If split BI split limits are selected, UM/UIM split limits must also be selected (or coverage rejected); If BI CSL limits are selected, UM/UIM CSL limits must also be selected (or coverage rejected).

## Uninsured Motorist Property Damage (UMPD)

- This coverage is vehicle-level coverage.
- Coverage is optional.
- UMPD Coverage limits are shown below:
  - \$25,000
  - \$50,000
  - \$100,000
- **\*\*PLEASE NOTE\*\*** if Uninsured Motorist Bodily Injury (UMBI) is REJECTED, UMPD **MAY NOT** be selected on ANY vehicle.

## E. Collision

- This coverage is vehicle-level coverage.
- Coverage is optional per vehicle.
- Collision deductible options:
  - \$100
  - \$250
  - \$500
  - \$1,000
  - \$2,500
  - \$5,000
- Collision coverage cannot be sold without Comprehensive coverage.

## F. Comprehensive

- This coverage is vehicle-level coverage.
- Coverage is optional per vehicle.
- Comprehensive deductible options:
  - \$100
  - \$250
  - \$500
  - \$1,000
  - \$2,500
  - \$5,000
- Comprehensive coverage may be sold without Collision coverage.

## G. Additional Optional Coverages

- **Employer's Non-Ownership Liability Coverage**
  - This is an optional policy-level coverage.
  - Available for firms with up to 20 employees.
  - Under this endorsement, a Non-Owned Auto should be used no more than 2 times per week.
  - If a claim is filed, the insured will need to demonstrate that the vehicle was not driven more than 2 times per week for business.
  - Vehicles used more frequently should be added to the policy.
  - This endorsement requires additional premium.
  - This coverage is sold with Hired Auto Coverage.
  
- **Hired Auto**
  - This is an optional policy-level coverage.
  - Available for firms with an annual cost of Hired Autos up to \$10,000.
  - Under this endorsement, Hired Autos should be used no more than 2 times per week.
  - If a claim is filed, the insured will need to demonstrate that the vehicle was not driven more than 2 times per week for business.
  - Hired Autos used more frequently should be added to the policy.
  - This endorsement requires additional premium.
  - This coverage is sold independently or with Employer's Non-Ownership Liability Coverage.
  
- **Personal Use of Commercial Auto**
  - This is an optional vehicle-level increase in coverage.
  - It provides coverage for personal use of company vehicles by Rated Drivers listed on the Declarations Page.
  - **ANY** household members or relatives who use a commercial vehicle for personal use, even only occasionally, should be included on the policy.
  - The rate will be increased by 8% for each Commercial Vehicle which is also used for personal use.
  - If claims investigation determines a household member is driving Commercial Vehicles, the Company may add them to the policy.

#### H. Additional Insured – Lessor Endorsement

- This enables Leasing Companies to be added to policy as Additional Insured.
- Enter Additional Insured at Vehicle level.
- Lessor will be listed as Additional Insured and Loss Payee on the Dec Page.
- There is no additional premium for this endorsement.

#### I. Additional Insured – Blanket Endorsement

- This enables external company or individual to be added to policy as Additional Insured for all power units (vehicles) on the policy.
- Enter Additional Insured at Policy level.
- Lessor will be listed as Additional Insured and Loss Payee on the Dec Page.
- There is no additional premium for this endorsement.

#### J. Waiver of Subrogation – Blanket Endorsement

- If insured pays the fee for this endorsement, We will waive any and all subrogation claims:
  - against any person or organization with whom a written waiver agreement;
  - has been executed by the named insured;
  - as required by written contract; **AND**
  - **WAS MADE PRIOR TO** the occurrence of any Loss.
  - The fee for this endorsement is **\$75 per policy term.**

### III. Rating Rules

#### A. Base Rate

- Base rates are applied by coverage.

#### B. Business Class

- The Business Class is assigned based on the SIC Code and Description that best describes the type of business.
- The factor is applied based on SIC code and coverage.
- The factor is applied to Bodily Injury, Property Damage, Medical Payments, Uninsured/Underinsured Motorist, Uninsured Motorist Property Damage, Collision and Comprehensive coverages.

## C. Telematics

- Customers may opt in/out of telematics and may come to us with existing telematics data from a vendor with whom we are contracted. There are three telematics options:
  - None – the customer does not currently have an active subscription with a participating partner and is not interested in participating.
  - New – the customer does not currently have an active subscription with a participating partner and is interested in participating.
  - Existing – the customer has an active subscription with a participating partner.
  
- Participation Discount
  - The factor is applied:
    - At new business when Telematics “new” is selected for the policy.
  - The discount is removed:
    - Within the new business underwriting review period if the device is not plugged in or otherwise unable to transmit data.
    - At the first policy renewal, to be replaced with the Telematics Score factor, if available.
  - The factor is applied per participating vehicle.
  - The factor is applied to Bodily Injury, Property Damage, Medical Payments, Uninsured/Underinsured Motorist, Uninsured Motorist Property Damage, Collision and Comprehensive coverages.
  
- Telematics Score
  - The factor is applied when a valid score is returned from a participating partner.
    - If a valid score is returned, the average driver class factor is not applied.
    - If a valid score is not returned, the average driver class factor is applied.
  - The score and factors are applied per participating vehicle.
  - The factor is applied to Bodily Injury, Property Damage, Medical Payments, Uninsured/Underinsured Motorist, Uninsured Motorist Property Damage, Collision and Comprehensive coverages.

#### **D. Vehicle History Score**

- TransUnion Vehicle Score is ordered for vehicle VINs at new business.
- The returned score is applied to all vehicles on the policy.
- The factor is applied based on the score.
- The factor is applied to Bodily Injury, Property Damage, Medical Payments, Uninsured/Underinsured Motorist, Uninsured Motorist Property Damage, Collision and Comprehensive coverages.

#### **E. Body Type**

- Body Type is assigned for the vehicle insured.
- The factor is applied per vehicle and per coverage.
- The factor is applied to Bodily Injury, Property Damage, Medical Payments, Uninsured/Underinsured Motorist, Uninsured Motorist Property Damage, Collision and Comprehensive coverages.

#### **F. Vehicle Symbol**

- Vehicle Symbol factor is assigned per vehicle based on the VIN.
- The factor is applied per vehicle and per coverage.
- Factors are applied to Bodily Injury, Property Damage, Medical Payments, Uninsured/Underinsured Motorist, Uninsured Motorist Property Damage, Collision and Comprehensive coverages.

#### **G. Model Year**

- Model Year is assigned for the vehicle insured.
- The factor is applied per vehicle and per coverage.
- The factor is applied to Bodily Injury, Property Damage, Medical, Payments, Collision and Comprehensive coverages.

#### **H. Territory**

- Territory factor is assigned based on distribution channel and zip code.
- The factor is applied per coverage.
- Factors are applied to Bodily Injury, Property Damage, Medical Payments, Uninsured/Underinsured Motorist, Uninsured Motorist Property Damage, Collision and Comprehensive coverages.

## I. Driver Class

- Driver Class factor is assigned based on driver age and driver points.
- Driver points are assigned as follow for incidents within a three-year experience period:
  - Major violations – 4 points each
  - Minor violations – 1 point each
  - At-fault accidents – 4 points each
- Factors are averaged for multiple drivers to arrive at a single factor.
- The factor is applied to Bodily Injury, Property Damage, Medical Payments, Uninsured/Underinsured Motorist, Uninsured Motorist Property Damage, Collision and Comprehensive coverages.
- The Driver Class factor is applied when there is no Telematics score factor used in rating.

## J. Limit Factors

- Factors are assigned based on the limit selected for the coverage.
- The factors are applied per coverage.
- These factors are applied to Bodily Injury, Property Damage, Medical Payments, and Uninsured/Underinsured Motorist coverages.

## K. Deductible Factors

- The Deductible factor is assigned based on the coverage deductible selected .
- Selected deductible amounts can be different by coverage and by vehicle.
- The factors are applied per vehicle and per coverage.
- These factors are applied to Collision and Comprehensive coverages.

## L. Stated Amount Rating (Trailers ONLY)

- Trailers are rated based on the stated amount of the trailer.
- Amounts are selected in increments of \$1,000, up to \$75,000.
- Stated amount > \$0 is preferred for every trailer, but Actual Cash Value (ACV) is acceptable for **Trailer only coverage**.
- **\*\*PLEASE NOTE: If ACV is selected, MOBILE EQUIPMENT (permanently attached to trailer) is NOT COVERED.**
- The ACV of permanently attached Mobile Equipment should be included in the Stated Amount of the trailer.
- The factor is applied per trailer for Collision and Comprehensive coverages.
- Deductibles for both COMP and COLL should be selected for Trailer. These deductibles do not have to be the same as the Vehicle(s) deductible(s).

## M. Trailers

- The trailer factor is applied to each trailer.
- The factor is applied to Bodily Injury/Property Damage, Collision, and Comprehensive coverages.

## N. Mobile Equipment – Trailers

- ALL covered Mobile Equipment must be permanently attached to the Trailer.
- The Stated Amount should consider the current depreciated value of the equipment, not the original purchase price.
- The same rule for exclusion of Diminution of Value for Vehicles also applies to the trailer and mobile equipment.
- The Stated Amount must be used. Selecting ACV option only applies to the trailer and, if selected, no mobile equipment will be covered.
- The Stated Amount for the Trailer should include:
  - Value of trailer itself used to transport the mobile equipment and
  - Current depreciated value of all permanently attached equipment.
- Equipment which is not permanently attached (ex. tools) is **not** covered.
- **Total value of Equipment and Trailer cannot exceed \$75,000.**
- Agent should also consider the equipment depreciation rate and evaluate adjusting the Stated Amount in future policy terms.

## O. Employer’s Non-Ownership Liability and Hired Auto Coverages

- The Business Class Factor uses the BI/PD factor.
- The Number of Employees factor uses an assigned factor to accommodate the expected target market (20 employees or less) for this product.
- The Annual Cost of Hired Autos uses an assigned value of \$10,000 per year to accommodate the expected target market for this product.
- The Coverage Limit factor is based on Bodily Injury, Property Damage limit selected for the policy.

## P. Insurance Score for Owner using Credit Vision by TransUnion

- TransUnion will calculate Insurance Score for Owner (ONLY)
- System will apply Rate Factor based upon the Insurance Score returned

## Q. Aggregated Driver Score using ADS by TransUnion

- TransUnion will calculate Aggregate Driver Score
- Owner and all drivers on policy will be considered in developing the score
- Score calculated ONLY when 2 or more Drivers are rated on the Policy

## **R. Payment Plan**

- Payment Plan factor is assigned based on the selected payment plan.
- The factor is applied to Bodily Injury, Property Damage, Medical Payments, Uninsured/Underinsured Motorist, Uninsured Motorist Property Damage, Collision and Comprehensive coverages.

## **S. Fees**

- Policy fee (\$30) is charged at new business and each renewal and is fully earned at the time the policy or renewal policy is issued.
- General Agent Installment fee (\$6) is charged at each installment payment (except Down Payment) for monthly payment plans and is fully earned.

# **IV. Underwriting Guidelines**

## **A. Acceptable Risks**

- Licensing
  - The insured and all drivers must have a valid, verifiable United States driver's or International Driver's license for the size, type, and weight of the vehicle(s) to be insured.
  - Policies with up to 25 Drivers
  - Drivers over 70 years of age with a signed statement from their physician, dated within the last 12 months.
- Vehicles
  - The vehicle(s) must be titled in the state in which the policy is written.
  - Commercial Vehicles and private passenger vehicles must be titled to the commercial enterprise being insured.
  - Insureds who just moved from another state should transfer their registration title to Illinois before first renewal.
  - Commercial vehicles and private passenger cars titled to the commercial enterprise may be written on the same policy.
  - Policies with up to 15 Vehicles

## **B. Ineligible Risks**

- Ineligible Drivers
  - Any Driver under the age of 18 years old.
  - Any Driver with a felony conviction involving the use of an automobile.
  - Drivers with an open suspension or revocation, or expired license.
  - Drivers with more than one (1) accident within the past thirty-six (36) months.
  - Drivers with more than one (1) major violation within the past thirty-six (36) months.
  - Anyone needing a Financial Responsibility (SR-22) Filings.

- Drivers with more than five (5) rating points within the past 36 months, where:
  - At-fault accidents are 4 points
  - Major violations are 4 points
  - Minor violations are 1 point
- Lending operator's license, chauffeur's license, or motor vehicle registration to another.
- **Policies where Vehicle / Driver Ratio greater than 2 (ex: 3 Vehicles , 1 Driver)**
- Policies with 2 or more non-payment cancellations during the current term.
- New Business written when hurricane or tropical storm is within 200 miles of land for any location.
- Any risk with 4 or more paid claims (excluding Towing and Labor) in the last 36 months.
  
- Ineligible Vehicles
  - **Business vehicles that are "Authorized to Hire."**
    - **"Authorized to Hire" means carrier transports passengers, regulated property or household goods owned by others for compensation.**
  - **Vehicles which have or will require a US DOT number.**
  - **Vehicles traveling beyond a 300-mile radius from the garaging address.**
  - **Vehicles used to haul sand or gravel.**
  - **Vehicles where snowplowing / snow removal provide > 20% of total business revenue.**
  - Vehicles designed to transport radioactive materials, rolled steel, explosives, combustible chemicals or gases, or any other flammable materials.
  - Emergency vehicles, livery, or taxicabs
  - Vehicles exceeding a gross vehicle weight of 12,000 pounds.
  - Vehicles modified to exceed factory specifications, racing automobiles, tracked, off road vehicles, recreational vehicles, motorcycles, emergency vehicles, taxicabs, limousines, public transportation vehicles.
  - Vehicles manufactured before 1998
  - Any Vehicle deemed total loss by insurance – junked, wrecked, or salvaged
  - Any vehicle which has have ever been issued a branded title.
  - Vehicles equipped with cooking equipment or a bathroom.
  - Vehicles regularly available to drivers who are not listed on the policy.
  - Vehicles leased or rented to other operators by the Applicant.
  - No Autonomous (self-driving vehicles). Autonomous vehicles are those that can accelerate, decelerate and stop without human intervention AND the driver no longer has to keep their hands on the wheel.
  - Vehicles not registered to an insured, unless leased under a long-term lease contract (minimum six months) from a leasing company
  - Any vehicle with over \$5,000 of additional/custom equipment not installed by the original manufacturer.

### C. Underwriting Period

- This product has a 90-day Underwriting Period.
- The Company will review incoming applications and may cancel a policy during this period for the following:
  - Misrepresentation or omission of material information regarding the risk.
  - Substantial risk change (for example, insured does not own a business)
  - Driver License Suspension or Revocation of Named Insured or another operator
  - Insured commits fraud when obtaining the policy or presenting a claim.

### D. Physical Damage Coverage

- Physical damage only policies are not available.
- Physical Damage Coverage is **not** available for vehicles 20 years or older
- No vehicles over \$100,000 MSRP.
- No vehicle over \$90,000 Actual Cash Value (ACV).
- Physical damage coverage on vehicles with specialty equipped interiors or special paint is excluded under policy provisions; only the base vehicle is covered.
- Coverage does not apply to optional equipment such as special radios, audio recording/playback devices, special wheels, wheel covers, camper shells, pickup bed covers, or transmitter receivers not permanently installed.
- All claims will be settled on the actual cash value (ACV) of the vehicle at the time of loss.

### E. Endorsements

- Policy changes are subject to normal company underwriting and binding requirements.
- A current, acceptable MVR is required for all drivers added to the policy after it is issued.