

# VIRGINIA

## Private Passenger Automobile

### PROCEDURAL MANUAL

#### GENERAL INFORMATION

*West Virginia National Auto Insurance Company's* Private Passenger Auto Program is designed to provide competitively priced insurance coverages for those insureds who are seeking coverage in the Non-Standard Market.

We offer annual and 6 month policies which provide coverage in accordance with the Personal Auto Policy. The coverages offered are:

- a. Bodily Injury
- b. Property Damage
- c. Uninsured Motorists
- d. Medical Expense Benefits
- e. Income Loss Benefits
- f. Comprehensive
- g. Collision
- h. Optional Transportation Coverage
- i. Towing and Labor

As requested by the insured, the company will provide proof of financial responsibility as required by Virginia Code 38.2-228.

**For Payment Submission  
Specialty Insurance  
P.O. Box 4225  
Richmond, VA 23220-4225**

**Specialty Insurance Agency, LLC**

**P.O. Box 4225 Richmond,**

**Virginia 23220**

**Phone and Fax Numbers**

**Local Number: (804) 267-1528**

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## RATING RULES

### 1. DEFINITIONS

#### a. PRIVATE PASSENGER AUTOMOBILE (AUTO)

1. A four wheel motor vehicle, other than a truck type, which is owned or leased under contract for a continuous period of at least six (6) months, and:
  - a. not used as a public or livery conveyance for passengers,
  - b. not rented to other.
  
2. A four wheel motor vehicle that is a pickup, panel truck, or van shall be considered a private passenger auto, if:
  - a. owned by an individual or by a husband and wife who are residents of the same household, and
  - b. not customarily used in the occupation, profession or business of the insured, other than farming or ranching.
  - c. it is not rated by the manufacturer as being in excess of  $\frac{3}{4}$  ton vehicle
  - d. Owned by two or more relatives who are residents of the same household, if it otherwise meets the definitions in 1. and 2. above.

b. **LIABILITY** as used in this manual refers only to Bodily Injury and Property Damage Coverage.

c. **COMPREHENSIVE COVERAGE** as used in this manual refers to “other than Collision” damage to the insured motor vehicle.

d. **OWNED** as used in this manual includes an auto leased under contract for a continuous period of at least six (6) months. If an auto lease contract requires the lessee to provide primary insurance for the lessor, attach the additional insured-lessor endorsement.

### 2. PERSONAL AUTO POLICY - ELIGIBILITY

- a. The Personal Auto Policy shall be used to afford coverage to private passenger autos and motor vehicles considered as private passenger autos in Rule 1 (above). If:
  1. They are written on a specified auto basis, and
  2. They are owned by an individual or by a husband and wife who are residents in the same household.

### 3. **PREMIUM DETERMINATION**

The Bodily Injury, Property Damage, Comprehensive and Collision premiums shall be determined as follows:

- a. Refer to the Classifications Rule to determine the applicable Classification and Statistical Code.
- b. Model Year and Symbol Determination
  1. Refer to the Model Year/Age Group Rule to determine the model year/age of the auto and refer to the Symbol and identification Section of the ISO VIN Manual for the appropriate symbol of the auto. When model year is used in rating and the rates for a model year are not displayed in the rate pages, use the rates shown for the latest model year.
  2. If no Rating Symbol is shown in the Symbol and Identification (S&I) Section, use the following procedure to determine an interim rating symbol.
    - a. If the S&I Section displays a rating symbol for the PRIOR MODEL YEAR version of the same vehicle, use the prior model year's Rating Symbol for the new model year vehicle.
    - b. If the S&I Section does NOT display a rating symbol for the PRIOR MODEL YEAR version of the same vehicle, assign a symbol based on the cost new of the auto, using the Price/Symbol Chart located in the reference pages of the S&I Section.
- c. Refer to territory definitions to determine the schedule number of the territory in which the automobile will be principally garaged.
- d. Refer to the Safe Driver Insurance Plan to determine the number of the Sub-Classification Points applicable to each vehicle.
- e. Refer to the Discount section of the manual to determine what, if any, discounts are applicable.
- f. Refer to the Territorial Rate Pages to determine rates for the desired coverage for the appropriate territory.
- g. Multiply rates by Sub-Classification Points surcharge, if applicable, and whatever discounts are appropriate.
- h. Multiply Bodily Injury and Property Damage premium by the appropriate limits factors as outlined in the rate calculation pages.

### 4. **CLASSIFICATIONS**

- a. Autos are classified as follows:
  1. **Primary Classification**

Classify the operator according to the age, sex and marital status of the operators, and the use of the auto.
  2. **Secondary Classification**

Refer to the Safe Driver Insurance Plan to classify operator according to the provisions of the Plan.
  3. **Classification Charges** – Compute premium adjustments on a pro-rata basis when changes in Primary and Secondary Rating classifications are made including the addition or deletion of an operator during the policy term

**Exceptions:**

1. A policy shall not be changed mid-term to affect a change in the Driving Record Sub-Classification.
  2. A policy shall not be changed mid-term solely due to a change in symbol assignment based on a review of loss experience.
- b.** Private Passenger Autos owned by corporations, co-partnerships or unincorporated associations are not acceptable under the personal automobile policy.
- c.** Definitions
1. **BUSINESS USE** means that the use of the auto is required by or customarily involved in the duties of the applicant or any other person customarily operating the auto, in an occupation, profession, or business other than going to or from the principal place of occupation.
  2. **PERSONAL USE:**
    - (a) No **BUSINESS USE**.
    - (b) Personal use including driving to or from work or school.
    - (c) An auto driven part way to or from work or school, such as to a railroad or bus depot whether or not the auto is parked at the depot during the day, shall be considered as driving to or from work or school.
- d.** Vehicle Assignment
1. Single Car Risk – assign the operator who generates the highest premium to the vehicle.
  2. Multi-Car Risks – assign drivers to the vehicle which generates the greatest premium unless driver points apply, then rate according rule 5, under Safe Driver Insurance Plan.
  3. Excess vehicle(s) (more vehicles than drivers) will be rated by assigning the highest rated driver to the excess vehicle(s) unless driver points apply, then rate according to rule 5, under Safe Driver Insurance Plan.
- e.** If a driver with SDIP points is assigned to an excess vehicle, the points will only apply to the vehicle which that driver customarily drives.
- f.** Discounts and Surcharges

Unless otherwise noted, discounts apply to Bodily Injury, Property Damage Liability, Comprehensive and Collision coverage only.

1. **Defensive Driving Course Discount.** The base premiums shall be reduced by 5% provided the principal operator is at least 55 years of age and:
  - (a) The principal operator has successfully completed an approved Motor Vehicle Accident Prevention Course as determined by the Department of Motor Vehicles; and
  - (b) A certificate is presented by the Company certifying the above course was completed within the three years prior to the inception or renewal of the current policy term. Following this three year period, the course must be successfully repeated and evidence presented in order to again qualify for the discount.

2. If the operator is a principal operator of two (2) or more qualifying vehicles insured with West Virginia National Auto Insurance Company, the discount shall apply to the vehicle most frequently operated by that operator.

Transfer Discount The following discounts will apply:

- A 20% discount applies when there is less than a sixteen (16) day lapse in coverage prior to inception
- A 15% discount applies when there is a lapse of 16 but less than 31 days in coverage prior to inception.
- If an expiring policy received a 30% transfer discount from its prior insurer, and has been written through Specialty Insurance Agency from its inception, and continues to qualify for a renewal discount, the policy will continue to receive a 30% discount off the applicable rates at the time of renewal, for up to 3 subsequent years. The expiring policy declarations page will be used as evidence of the 30% discount having been applied to the expiring policy.

### 3. Renewal Discount

A 10% discount will be applied on renewal policies after 6 months of coverage.

A 20% discount will be applied on renewal policies after 12 months of coverage if:

- (a) The insured received a transfer discount at inception; or
- (b) This is second or subsequent 12 month coverage period.

If an expiring policy has a transfer discount, the following rules will apply:

- 12 month policy, with a 15% transfer discount:
  - 20% renewal discount replaces 15% transfer discount
- 12 month policy with a 20% transfer discount:
  - 20% transfer discount replaces 20% transfer discount
- 12 month policy with a 30% transfer discount:
  - 30% transfer discount continues to apply for first three years. Thereafter, reverts to prevailing renewal discount at time of renewal
- 6 month policies at first 6-month renewal:
  - with 15% transfer discount:
    - 15% transfer discount continues to apply
  - with 20% transfer discount:
    - 20% transfer discount continues to apply
  - with 30% transfer discount:
    - 30% transfer discount continues to apply for first three years. Thereafter, reverts to prevailing renewal discount at time of renewal
- 6 month policy at second or subsequent 6-month renewal:
  - with 15% or 20% transfer discount:
    - 20% renewal discount applies
  - with 30% transfer discount:
    - 30% transfer discount continues to apply for first three years. Thereafter, reverts to prevailing renewal discount at time of renewal

4. Multi-Car Discount

A 21% discount will be applied when two or more autos are insured.

5. Homeowner Discount

A 10% discount applies for owners of a single family dwelling, condominium, or mobile home.

6. Non-owners Discount

A discount of 30% will apply to the calculated Bodily Injury and Property Damage Coverage premiums for any non-owners policy

7. Extra Vehicle Discount

If a policy has more vehicles than drivers, a 15% discount will apply to the calculated premium for each excess vehicle listed on the policy. All other rules of vehicle/driver assignment apply.

8. Maximum Discount

Maximum accumulated discount for any policy is 45%. The maximum discount excludes the Defensive Driving Course Discount and the non-owners discount which are additional credits for qualified insureds.

9. Panel Trucks, pickups, and vans

Liability and Physical Damage: Rate as private passenger. For vehicles without a symbol, determine a symbol based on original cost new as found in the VIN Manual and Identification Section of the ISO Manual.

**5. SAFE DRIVER INSURANCE PLAN (SDIP)**

The SDIP is to be applied to all eligible autos.

**Point Assignment** – Points shall be assigned to the vehicle customarily driven by the operator responsible for incurring the points. The provisions of the Safe Driver Insurance Plan Rule shall be applied on a per-operator/per-vehicle basis. Points for accidents and violations will be assigned based on date of occurrence. If there is a charge for both an accident and a related driving conviction from the same occurrence, only the accident surcharge will apply.

**A. Definitions**

**1. Driving Record Points**

a. **Occurrences** – Points shall be assigned for occurrences during the experience period for convictions for motor vehicle violations of the applicant or any current operator as follows:

• **6 points are assigned for each occurrence of:**

- (a) Failure to stop and report when involved in an accident; or
- (b) Death, homicide or assault arising out of the operation of a motor vehicle;
- (c) Second and subsequent DUI, Alcohol, or drug related occurrences within experience period;
- (d) Any felony involving the operation of a vehicle;
- (e) Combination of first DUI, or alcohol or drug related at-fault accident
- (f) Racing on public roads
- (g) Attempt to elude police
- (h) Habitual offender listing on MVR

- **3 points are assigned for each occurrence of:**
    - (a) Refusal to take a DUI test to determine blood alcohol content
    - (b) Passing a school bus when loading or unloading children
    - (c) Reckless driving/Aggressive Driving
    - (d) Speeding 20 mph or more over posted speed limit
    - (e) Speeding in excess of 80 mph
  
  - **2 points are assigned for each occurrence of:**
    - (a) DUI, alcohol or drug related occurrence – first offense
    - (b) Speeding less than 20mph over posted speed limit
    - (c) Speeding in school zone
    - (d) Driving in violation of a restricted license
    - (e) Driving in violation of a revoked or suspended license
    - (f) Improper driving
    - (g) All non-driving drug or alcohol occurrences listed on the MVR
    - (h) Allowing an unlicensed person(s) to drive vehicle
  
  - **1 point is assigned for each occurrence of:**
    - (a) All other occurrences of the motor vehicle code except parking violations, expired or no city/county tag or inspection, failure to pay toll, insurance monitoring, seat belt, child restraint violations, faulty brakes, vehicle too long, overweight and various other violations related to a commercial vehicle driven in the course of employment.
- b. Business** – 3 surcharge points are assigned if the use of the auto is required in the duties of the operator or any other person customarily operating the auto in an occupation, profession or business other than going to or from the principal place of employment.
- c. Accidents** – Points shall be assigned for each at fault accident that occurred during the experience period involving the applicant, current resident, or customary operator while operating an auto.
- Five(5) points are assigned for the first at-fault auto accident and seven (7) points are assigned for each subsequent at-fault accident resulting in:
    - (a) bodily injury, or
    - (b) total damage to all property including his or her own vehicle in excess of \$500
  - Notwithstanding all other provisions of this rule, no points shall be charged as a result of a motor vehicle accident unless the accident was caused or in part by the fault of the insured.

**B. Exceptions:**

1. No points are assigned for accidents incurred by an operator demonstrated to be a named insured or principal operator of an auto insured under a separate policy; and
2. No points are assigned for accidents occurring under the following circumstances:
  - a. auto lawfully parked (if the parked vehicle rolls from the parked position, then any such accident is charged to the person who parked the auto); or
  - b. the applicant, owner or other resident operator is reimbursed by, or on behalf of a person who is responsible for the accident or has judgment against such person; or
  - c. auto is struck in the rear by another vehicle and the applicant or other resident operator has not been convicted of a moving traffic violation in connection with this accident; or
  - d. auto operated by the applicant or any resident operator is struck by a "hit and run" vehicle, if the accident is reported to the proper authority promptly by the applicant or resident operator; or
  - e. accidents involving damage by contact with animals or fowl; or
  - f. accidents involving Physical Damage limited to and caused by flying gravel, missiles, or falling objects; or
  - g. applicant or other operator residing in the same household, or owner, who receives payment under medical expense coverage; or
  - h. law enforcement officers involved in accidents during duty.

**C. Rating**

1. Liability - The rate including Sub-Classification points is presented on the Point surcharge pages.
2. Collision Coverages - The rate including Sub-Classification points is presented on the Point surcharge pages.

Points for violations or at fault accidents are assigned if the occurrence date is within the 35 month period immediately preceding the effective date of the policy or the renewal.

**D. Administration of SDIP**

Information necessary to assign the proper Driving Record Points may be obtained from one or more of the following sources, at company discretion:

1. An application signed personally by the applicant and certified by the agent; or
2. Company's own records; or
3. Motor Vehicle records; or
4. Other insurance data base services.

**6. MODEL YEAR FOR COMPREHENSIVE AND COLLISION COVERAGES**

- A.** The Model Year of the auto is the year assigned by the auto manufacturer. A model year begins October 1 of each year.
- B.** Code the last two digits of the model year, for example, code 1980 vehicles as 80.

7. **MINIMUM PREMIUM RULE**

- A. The minimum annual premium charge is \$200.00 for each policy, certificate, declaration or binder covering one or more of the following perils:
- Bodily Injury Liability
  - Property Damage Liability
  - Uninsured Motorist
  - Comprehensive
  - Collision
- B. Premium for other coverages which may also be included in the policy shall be in addition to the minimum annual premium.
- C. The minimum annual premium charge is not subject to reduction, except in the event of Cancellation, the minimum annual premium charge shall be adjusted on a pro-rata or 90% of pro-rata basis as the conditions require.

8. **POLICY PERIOD**

Policies can be written for 6 or 12 months. Refer to **Payment Methods**.

9. **WHOLE DOLLAR PREMIUM**

- A. Uninsured Motorists Coverage: See Section 13.f. for rules concerning Uninsured Motorists Coverage.
- B. Other than Uninsured Motorists Coverage
1. The premium for each exposure shall be rounded to the nearest whole dollar separately for each coverage provided by the policy.
  2. A premium involving \$.50 or more shall be rounded to the next higher whole dollar.
  3. This procedure shall apply to all interim premium adjustments, including endorsements or cancellations at the request of the insured. In the case of cancellation by the company, the return premium will be carried to the next higher whole dollar.
  4. The phrase "each exposure" as used herein shall mean each premium developed (after the application of all applicable adjustments) for each auto.

## **10. CHANGES**

- A. All changes requiring premium adjustments shall be computed pro-rata.
- B. If an auto or coverage is cancelled or added mid-term, the premium shall be calculated based on the rates in effect at the inception of the policy.
- C. Adjustments of \$15 or less:

If a policy is amended and results in a premium adjustment of \$15 or less, the premium will be waived, except that the actual return premium shall be returned at the request of the insured. The insured will be notified of all premium changes regardless of the dollar amount.

## **11. CANCELLATION**

If a policy is cancelled:

- 1. By the company:  
Compute return premium PRO-RATA
- 2. By the insured:  
Compute return premium 90% of PRO-RATA

### **EXCEPTIONS:**

Compute return premium on a pro-rata basis:

- 1. If the insured has disposed of the insured vehicle and takes out a new policy in the same company on another vehicle to become effective within thirty (30) days of the date of cancellation.
- 2. If the policy is cancelled at the request of a premium finance company through the power of attorney executed by the insured.
- 3. If the insured auto is repossessed under terms of a financing agreement.
- 4. If in a multi-car situation:
  - a. one vehicle is cancelled from the policy and the policy remains in force on other vehicles; or
  - b. a policy is cancelled and there remains in force with the same company in the name of the insured or spouse residents in the same household , a concurrent policy covering another vehicle.
- 5. If the insured enters the armed forces of the United States of America.
- 6. If the insured auto is stolen or destroyed (total or constructive loss) and cancellation is requested by the insured:
  - a. within thirty (30) days following the date the auto is stolen or destroyed; or
  - b. within fifteen (15) days of the time the auto was determined by the company:
    - (1) to be unrecoverable if stolen; or
    - (2) to be a total or constructive total loss.

**12. RULE FOR DETERMINING COMPREHENSIVE AND COLLISION DEDUCTIBLES**

Split deductibles may be selected for Comprehensive and Collision coverages. However, Multi-vehicle policies must have the same deductibles for all vehicles with Comprehensive and collision coverages.

**13. UNINSURED MOTORISTS COVERAGE**

Owners (Rates are subject to classification filing.)

- A. This form of auto insurance must be afforded under every policy insuring the owner of a motor vehicle registered in the Commonwealth of Virginia.
- B. Additional Uninsured Motorists Coverage must be afforded at limits equal to, but not in excess of, the liability limits of the policy unless the additional coverage is or was previously rejected by the insured. Insured may purchase any lower limits that the company has on file.
- C. Uninsured Motorists Coverage is subject to minimum limits of 25/50/20.
- D. Uninsured Motorists Coverage must apply to all vehicles insured on the policy.
- E. Property Damage Uninsured Motorists Insurance is subject to a deductible of \$200.

This deductible applies only if the owner or operator of the insured motor vehicle causing the damage cannot be identified.

- F. The Uninsured Motorists premium shall not be subject to modification under the provisions of any rating plan or other manual rule, with the exception that the premium for policies which do not develop a whole dollar premium shall be rounded down to the next whole dollar for each term.

**14. MISCELLANEOUS COVERAGES:**

- A. Medical Expense and Income Loss Benefits, \$2,000 limit

No policy of Bodily Injury Liability Insurance or of Property Damage Liability Insurance covering liability arising from the ownership, maintenance or use of any motor vehicle shall be issued or delivered in the State of Virginia unless Medical Expense Benefits or Income Loss Benefits, or both, are provided upon request of the insured in accordance with Virginia Code, Section 38.2-2201.

Medical Expense Benefits are subject to the Safe Driver Insurance Plan surcharges contained in this manual.

- B. Supplemental Coverages
  - Optional Limits Transportation Expense Coverage

Must be offered whenever comprehensive or collision coverages are purchased.

Coverage is limited to a \$600 maximum per incident, payable under Option 1 of Transportation Expense Coverage form PP 13 52 (01/04).

- Towing and Labor Costs

May be written only when comprehensive and collision coverage is afforded.

Coverage Limits available:  
\$25 per occurrence  
\$50 per occurrence  
\$75 per occurrence

**15. FEES**

**A. Agency Bill**

- Reinstatement Service Fee \$35.00
- SR-22/FR-44 Service Fee<sup>(1)</sup> \$15.00
- NSF Fee \$35.00
- Credit Card Fee \$5.00

**B. Direct Bill**

- Installment Fee (non-EFT) \$12.00
- Installment Fee (EFT) \$5.00
- Late Fee \$12.00
- Reinstatement Service Fee \$35.00
- SR-22/FR-44 Service Fee<sup>(1)</sup> \$15.00
- NSF Fee \$35.00
- Credit Card Fee \$5.00

<sup>(1)</sup> This Service Fee is applied for each SR-22 or FR-44 filed on behalf of an insured

**16. TRAILERS**

Trailers Designed for Use With Private Passenger Autos.

**LIABILITY AND MEDICAL EXPENSE COVERAGE**

A Personal Auto Policy affording Liability, Medical Expense and Income Loss Benefits Coverage provides coverage for trailers designed for use with a private passenger auto, pickup, panel truck, or van without additional premium charge and without specific description of the trailer.

Exceptions: Coverage is not provided for a trailer:

- A.** Used for business purpose with other than a private passenger auto or owned pickup, panel truck, or van; or
- B.** When no auto is owned by the insured; or
- C.** Located for use as a residence or premises

**17. RATING TERRITORIES**

- A.** The territory Pages contain the definition and code for each rating territory.
- B.** Each territory includes the specific zip codes for rating purposes.
- C.** New zip codes will receive the same territory assignment as the zip code from which they were created.

**18. NAMED NON-OWNER COVERAGE**

Coverage applies to non-owned vehicles used by the named insured only and is written at the same rates that would be applicable on an owner basis, including financial responsibility with the appropriate discount(s). See rule 4.F.6, on page five for discount) Form PP 13 62 (01/05) will apply.

**19. SUSPENSION OF COVERAGE**

If the named insured has been ordered to military duty outside the Commonwealth of Virginia, the insurance provided by this policy for a motor vehicle may be suspended at the request of the named insured or his legal representative, during the period that the motor vehicle is impounded in a motor vehicle impound lot on a military base of the United States Armed Forces, the Reserves of the United States Armed Forces or the National Guard. However, a company may decline to suspend coverage if satisfactory evidence of such impoundment has not been furnished to it, or the period for which suspension is requested is less than thirty (30) days. The suspended coverage shall be reinstated upon the request of the named insured, or his legal representative, effective not earlier than the receipt of such request by the insurer or any of its authorized representatives.

Any unearned premium pursuant to this section shall be refunded to the named insured, or his personal representative, on a pro-rata basis.

**20. PAYMENT METHODS**

West Virginia National Auto Insurance Company requires payment of premium at the time of business submission, whether by application or policy renewal.

ALL FUNDS are to be made payable to Specialty Insurance, the program manager for West Virginia National Auto Insurance company. "EFT" transactions listed below refer to automatic electronic funds transfers covering both the policy down payment and all installments during the policy period.

If the initial insured's payment made with a monetary instrument is returned or not honored, the corresponding coverage will be null and void.