



**AMERICAN MODERN HOME
INSURANCE COMPANY**

(077)

New Business 08-01-07

Renewal Business 08-01-07

**PACIFIC INTERNATIONAL
UNDERWRITERS, INC.**

P.O. Box 2007

Edmonds, WA 98020-0907

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Elite Collector Car

Program Guide

SUBMITTING THE RISK

Please keep in mind that sound underwriting requires the exercise of trained judgment, applied to current and individual situations. All risks should meet our underwriting eligibility criteria or have prior approval from your underwriter prior to submitting. Occasionally your Elite Collector Car Underwriter may declare a risk unacceptable to the Company even though it appears to be eligible in this Guide.

BINDING PROCEDURES

1. New Business:
 - a. All applications must be completed and received by American Modern Insurance Group no later than 14 days after the effective date of coverage with all required information attached. The applicant's signature is required on every application. All signatures must be dated prior to or on the inception date of the policy.
 - i. All applications submitted to the company should be printed directly from the Elite Collector Car processing system and must be complete.
 - ii. A clearly legible V.I.N. (Vehicle Identification Number) is mandatory on all applications submitted to the company due to state insurance verification regulations.

With the Application, please be sure to include:

- a. The declarations page for the applicant's regular use vehicle(s).
 - b. All state specific selection or rejection forms signed by the insured (Please refer to the state specific forms list on modernLINK®).
 - c. Photos: Recent color photographs are required on units insured. Good quality digital or 35mm photos are acceptable.
 - i. Stock Units - Two (2) exterior photos of each collectible vehicle showing all (4) sides.
 - ii. Modified Units - Two (2) exterior photos of each vehicle showing all (4) sides, one (1) of the engine compartment, and one (1) of the vehicle interior. (A detailed list of the modifications should also be included.)
 - iii. Units with values over \$100,000 should follow the photo requirements for "Modified Units".
 - d. A current Motor Vehicle Report for all operators in the household.
 - e. Any other documentation needed for discounts that may apply.
 - f. Payment and any associated forms (see Payment Plans and Options for specifics).
2. Mid Term Additions & Changes:
 - a. Requests to add or replace a vehicle on an existing policy must be submitted to the company within 14 days. The request must be on the Elite Collector Program Change Request form along with the required photographs (as described above).
 - b. Any additional changes affecting coverage should be submitted within 14 days.
 - c. All policy changes must have completed state specific forms attached at time of submission, if required.
 - d. Payment may be submitted at the time of the change or the insured will be billed at a future date.

Binding authority is subject to the limitations shown in this Underwriting guide. Please refer to your agency contract for further details on your binding authority.

TEMPORARY SUSPENSION OF WRITINGS

During periods of severe weather, please **do not** accept any applications for new coverage, requests to increase coverage limits, or requests to lower deductibles on existing policies. Impending severe weather includes, but is not limited to: tornado, flood, hurricane or tropical storm warnings and/or watches. Renewals of expiring policies may be written, provided there is **no** increase in coverage or lapse between policies.

IMPENDING SEVERE WEATHER - BINDING RESTRICTIONS AND PROCEDURES: FOR UPDATES, CALL (800) 543-2644 EXT. 3700 or refer to the "News For You" section on modernLINK®.

PAYMENT PLAN AND OPTIONS

	<u>EZ Pay*</u> (Electronic Funds Transfer) 2 months down with 10 installments	<u>1-Pay</u> Paid in Full	<u>4-Pay</u> 25% down with 3 installments
Premium \$499 or less	Available	Available	N/A
Premium \$500 or more	Available	Available	Available

Credit Cards (MasterCard®, Visa®, Discover®, and American Express®) are accepted for all payment options. Please indicate card type, charge amount, card number, and expiration date. Please utilize form AMIGCC-001.

For EZ Pay (Electronic Funds Transfer), submit authorization form # 00220-08-G with a voided check or withdrawal slip. The customer may select the dates of automatic withdrawal.

Payment options, with exception to 1-Pay, include a service fee.

GENERAL UNDERWRITING RULES

1. **Policy Term** – Policies must be written for a 12 month term.
2. **Minimum Premium**
 - a. The minimum written premium is \$100.
 - b. The minimum earned premium is \$100 per policy if cancelled by the insured. Policies canceled due to non-payment of premium are considered cancelled by the insured.
 - i. If canceled by us for reasons other than non-payment of premium, the return premium shall be calculated pro rata of the written premium.
3. **Liability, Comprehensive, and Collision must be present on all policies.** Physical Damage only policies or Liability only policies are not permitted.
4. **The vehicle's rating location shall be determined by the state in which it is registered.**
5. **ID Cards** - State mandated ID Cards will be issued with each policy. Canadian Non-Resident Inter- Province Motor Vehicle Insurance Cards are available upon request.

OWNER/OPERATOR ELIGIBILITY

"Elite Collector Car" continues to offer the lowest rates possible by only insuring those individuals who maintain an average to above average driving record. Please submit the insured's current Motor Vehicle Report with the complete submission.

1. **General Owner/Operator Eligibility Rules**
 - a. All members of the household (licensed or unlicensed) or any other potential operator must be identified on the application, regardless of the amount of use.
 - b. All operators must have nine years experience.
 - c. The auto must be owned by an individual, by a husband and wife who are residents of the same household, by two or more resident relatives, or by an LLC or Family Trust.
 - d. Each operator in the household, including college students, must maintain another vehicle for their regular use, and this vehicle must be newer than 20 years old. Physical damage coverage on the regular use vehicle is not required.
 - e. Any operator requiring a SR-22 (proof of financial responsibility) is not eligible.
 - f. Any operator who has a currently expired driver's license, or has had a driver's license suspended, revoked, cancelled, or barred in the past three years/36 months is not eligible.
 - g. Driver exclusion form V9041 (12/93) may only be used for operators with less than 9 years driving experience.
 - i. Spouses may not be excluded.
 - ii. Licensed household member(s) or other potential operator(s) who are ineligible for any reason other than driving experience may not be excluded. These risks should not be written.
2. **Experience Period/Driver Record**
 - a. Experience Period: 3 years (36 continuous months) preceding the effective date of the policy.
 - b. Individual operators may have no more than any one of the following within the experience period:

- i. two minor moving violations,
- ii. one at fault accident, or
- iii. one at fault accident and one minor moving violation (from a separate incident).
- c. Individuals with major violations during the experience period are not eligible for coverage.
- d. Households may have no more than four at fault incidents in the experience period. Motor Vehicle Reports will be ordered on all operators in the household on New Business applications.

3. Violation Definitions

- a. A major violation is defined as:
 - i. Driving while suspended, revoked, cancelled, expired, barred, etc.
 - ii. Drag racing or participating in speed contests.
 - iii. Failure to stop and report accident involvement (hit-and-run).
 - iv. Reckless driving.
 - v. Fleeing or attempting to elude a police officer.
 - vi. Any speeding violation in excess of 40 mph over the limit.
 - vii. DUI/DWI violations, defined as
 - 1. alcohol/liquor or drug related;
 - 2. refusal of an alcohol test;
 - 3. possession of an illegal substance; or
 - 4. open container.
- b. At-Fault Accidents. For underwriting and rating purposes, every accident will be considered to be “At-Fault” EXCEPT those occurring under the following circumstances:
 - i. Any accident where accumulated total damages do not exceed \$1,000.00 including any deductible.
 - ii. The vehicle was lawfully parked at the time of the accident.
 - iii. Any accident where an insured unit is struck by another vehicle and the applicant or other resident operator is reimbursed by, or on behalf of, the individual(s) who are responsible for an accident or receives judgment against such person.
 - iv. Any accident where the unit operated by the applicant or any resident operator is the victim of a “hit-and-run”, if the applicant or resident operator reports the accident to the proper authority within 24 hours.
 - v. Any accident that was caused by contact with a living animal, including a bird.
 - vi. Any accident where the operator of the other vehicle involved in the accident was convicted of a moving traffic violation and the applicant or resident operator was not convicted of a moving traffic violation in connection with the accident.
 - vii. Accidents involving Physical Damage, limited to and caused by flying missiles, or falling objects.

UNIT ELIGIBILITY

IMPORTANT NOTE: An “Elite Collector Car” is a private passenger vehicle or truck which is used on a very limited basis, such as in exhibitions, club activities, parades, functions of public interest and the occasional pleasure/leisure use. American Modern Insurance Group insures these vehicles on an Agreed Value basis, and therefore we are looking for vehicles that are in good to excellent maintenance, original or restored condition, and whose characteristics - unique features, rarity, and/or overall popularity with various generations – raise the desirability of the vehicle above that of the common auto.

- 1. **Elite Collector Car Program** defines each auto below:
 - a. **“Antique”** - A vehicle manufactured 25 or more years prior to the current model year.
 - b. **“Classic”** - A vehicle manufactured from 20 to 24 years prior to the current model year.
 - c. **“Collectible”** - A vehicle manufactured from 15 and 19 years prior to the current model year. Any post-1980 4-door sedan should be referred to your Elite Collector Car Underwriter prior to binding coverage.
 - d. **“Exotic”** – A vehicle manufactured less than 15 years prior to the current model year. These vehicles are unique in their appearance, performance capabilities, and will continue to appreciate in value. Vehicle models that generally fit into this category include, but are not limited to Lamborghini, Ferrari, Corvette, and Porsche.
 - e. **“Custom”** - A vehicle originally manufactured from 1949 through the present year. This vehicle has been mechanically and/or cosmetically altered (such as alterations to the chassis, drive train, body and interior) from its original power and structural configurations, but retains its original identity. When using the system, please make sure to select modified to ensure proper classification.
 - f. **“Street Rod”** - A vehicle originally manufactured prior to 1949, mechanically and/or cosmetically altered (chassis, drive train, body and/or interior) from its original power and structural configurations, but continues to retain its original identity. Open, “T-Bucket” type street rods are acceptable. When using the system, please make sure to select modified to ensure proper classification.

Additional Vehicles

- a. **“Kit”** – Vehicles built from a purchased package are eligible when assembled by an experienced and/or professional manufacturer or dealer. Documentation of value and kit manufacturer must be provided. They are entered in accordance with the registration and should be rated as modified.
- b. **“Vehicles Under Restoration”**- Vehicles undergoing restoration should be 80%* completed at the time of application. Vehicles that are less than 80%* restored will be subject to prior underwriting approval. If approved, we will require annual updates, photos and receipts, on the progress made and such vehicles should be completed within 2 years. They are rated and classified based on the original date of manufacture and level of modifications.

**A vehicle is considered 80% complete when it is drivable and only minor improvements are needed such as final paint, decals, etc.*

2. Program Requirements

a. Annual Mileage:

- i. Antique, Classic, Collectible, Custom, and Street Rod have 1,000, 3,000, and 6,000 mileage plans available.
- ii. Exotic vehicles have 1,000 and 3,000 mileage plans available.
- iii. For car classification and coverage purposes, the vehicles must be driven less than or equal to the annual mileage option selected above.
- iv. A vehicle that is used in excess of the mileage plan selected will not be eligible for our program and coverage will be voided in the event of a loss.

b. Vehicle Storage

- i. The vehicle must be stored in a locked garage facility. Garaging facilities must be a permanent structure that is fully enclosed and all entryways must have a functioning locking mechanism.
 1. We do not consider the following to be garaging facilities:
 - a. Three sided enclosures
 - b. Carports
 - c. Canopy Garages
- ii. When the vehicle is away from the owner's premises in accordance with the Usage Requirements, it is expected that the owner will exhibit a high level of due diligence to ensure the protection of the vehicle.
- iii. Any vehicle not stored in a secured and locked facility when not being used in accordance with the Usage Requirements, is not eligible for the program.

c. Usage Requirements

- i. As stated above, an “Elite Collector Car” is a private passenger vehicle which is used on a very limited basis, such as in exhibitions, club activities, parades, functions of public interest and the occasional pleasure/leisure use. As such, any vehicle used for any of the following purposes (or similar situations) is considered not eligible for coverage:
 1. Substitute transportation for any regular use vehicle.
 2. Running errands (e.g. picking up dry cleaning)
 3. Shopping
 4. Driving to or from work or school.
 5. Business or commercial use.
 6. Used for racing or participation in or at a facility designed for racing for the purposes of practicing, testing for racing, speed contests, time trials, driver's education or on-track event of any kind. The only exception to on a track would be if an auto show/exhibit were being held on the field for display purposes only.
 7. Units for sale or on consignment at the time of application.
- ii. Usage of the Elite Collector Car is considered to fall within the usage requirements when the vehicle is in transit to or from, in attendance at, or located at the lodging of the named insured during overnight exhibitions, club activities, parades, or functions of public interest.

3. Valuation

IMPORTANT NOTE: Because owners of an “Elite Collector Car” see their units as an important investment, it is important that we accurately estimate the amount of insurance necessary. Since these units are insured at Agreed Value, it is imperative that proper care is taken to establish the proper value of the vehicle. Units must be insured to a “realistic” market value based on a current pricing and valuation guide. Your Elite Underwriters prefer using the NADA® Appraisal Guides or the Old Cars Price Guide®.

a. Maximum Values:

- i. The maximum value per unit within the agency binding authority is \$150,000; maximum value per collection is \$300,000.
- ii. Units undergoing restoration will be insured at the current value of the vehicle.

iii. Values in excess of these limits need to be referred to underwriting prior to binding. Please contact your Elite Underwriter for specific submission requirements.

b. **Minimum Values**

i. The minimum value per vehicle we can accommodate is \$3,500 for non-modified vehicles and \$7,500 for modified vehicles.

c. At our discretion, an independent, professional and detailed appraisal may be requested on any vehicle to verify the value. A "build sheet" may also be requested for heavily modified vehicles.

d. For higher valued and/or larger collections, additional detailed garaging information may be requested by Underwriting.

e. High valued vehicles or collections may require an on site inspection by American Modern Insurance Group within the first 6 months of coverage.

4. **Ineligible Risks – Please do not bind coverage**

a. Units for sale or on consignment at the time of application.

b. Any vehicle under restoration that is not at least 80% complete at the time of application.

c. Any vehicle not currently being restored in the following condition: complete restoration of body, chassis or interior, weathered, wrecked and/or stripped, or is used only for parts.

d. Any unit equipped with a camper shell-topper, a bed mounted toolbox, trailer, or towing apparatus.

e. Dune Buggies.

f. Vehicles equipped with non-OEM (Original Equipment Manufacturer):

i. roll bars

ii. roll cages

iii. wheelie bars.

iv. 5-point seat restraints, or

v. nitrous oxide

g. Raced "Pro Street" machines – street legal race cars. e.g. these vehicles may have gutted interior (no passenger seat, no stereo, and no upholstery), sequential shifters, air conditioning removed, lightened body panels, roll cage, racing slicks, acrylic windows, etc.

h. "Kit" cars not built by a reputable manufacturer or dealer.

i. Any vehicle that is leased or corporately owned, except LLC's.

j. Any vehicle owned by or registered to a professional collectible car dealership and/or restoration shop.

COVERAGES

Note: For all Liability coverages, including BI/PD Liability, Underinsured Motorists, and Personal Injury Protection, the rate determined for the highest rated vehicle of a multi-car policy is the total liability coverage premium for all vehicles on the policy. On average, newer or modified vehicles will generate a higher liability rate.

Coverages (BI/PD, Comprehensive, Collision, etc.) may not be deleted for seasonal purposes.

1. **Combined Single Limit Liability** - Coverage in the event of an insured's negligence that results in the damage or destruction of another's property or in the bodily harm, sickness, disease, or death of other persons. This is a single limit of coverage providing a "Per Occurrence" amount.

a. This is a required coverage.

b. Minimum Limit of \$60,000 is required (higher limits are available)

c. **Limits are required to be less than or equal to that of the regular use auto(s).**

d. The charge for Combined Single Limit Liability applies once, regardless of the number of vehicles on the policy.

2. **Personal Injury Protection** - Payment of medical expenses without regard to fault for defined insureds.

a. This is an optional coverage.

b. Coverage is provided at a limit of \$10,000, and \$25,000

c. Rejection form V9210 (02/03) should be completed if the insured rejects the coverage.

d. The charge for PIP applies once, regardless of the number of vehicles on the policy.

3. **Underinsured Motorists** - Coverage provides insurance for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of underinsured motor vehicles because of bodily injury, sickness or disease, including death, or property damage resulting there from.

a. This is an optional coverage.

b. Limits should match and may not exceed the CSL Limits.

c. **Limits are required to be less than or equal to that of the minimal values applicable to the regular use auto(s).**

- d. Selection Rejection form VM4WA (01/03) should be completed any time the insured is rejecting the coverage or selecting a limit that is less than the Combined Single Limit Liability coverage. Failure to return a completed form within 30 days will result in Uninsured Motorists coverage being provided at limits equal to that of the Combined Single Limit Liability coverage.
 - e. The charge for Underinsured Motorists applies once, regardless of the number of vehicles on the policy.
4. **Underinsured Motorists Property Damage** – Coverage provides insurance for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of uninsured motor vehicles because of property damage resulting there from.
- a. This coverage is an optional coverage.
 - b. This coverage is available at a limit of \$10,000.
 - c. Selection/Rejection form VM4WA (01/03) should be completed any time the insured is rejecting the coverage. If not properly rejected, coverage will be added to the policy.
5. **Comprehensive** - Coverage for physical damage to the unit outside of that covered under collision and not excluded by the policy language.
- a. This is a required coverage.
 - b. Available Deductibles:
 - i. Antique, Classic, Collectible
\$0
 - ii. Antique, Classic, Collectible over \$100,000 in value
\$0, \$1,000, \$2,500, or \$5,000
 - iii. Street Rod and Custom
\$0, \$250, \$500, \$1,000, \$2,500, or \$5,000
 - iv. Exotic
\$500, \$1,000, \$2,500, or \$5,000
 - v. Exotic over \$100,000 in value
\$5,000, \$7,500, or \$10,000
6. **Collision** - Coverage for damage caused by upset or impact with another vehicle or object.
- a. This is a required coverage.
 - b. Available Deductibles:
 - i. Antique, Classic, Collectible
\$0
 - ii. Antique, Classic, Collectible over \$100,000 in value
\$0, \$1,000, \$2,500, or \$5,000
 - iii. Street Rod and Custom
\$0, \$250, \$500, \$1,000, \$2,500, or \$5,000
 - iv. Exotic
\$500, \$1,000, \$2,500, or \$5,000
 - v. Exotic over \$100,000 in value
\$5,000, \$7,500, or \$10,000
7. **Towing Coverage** – In the event that the Elite Collector Car suffers a breakdown while away from the garaging location, towing and labor coverage is automatically included up to \$25.00 per occurrence.
8. **Spare Parts Coverage** - \$500.00 is included for direct and accidental loss to spare parts and accessories for your covered auto as long as Collision or Other Than Collision Coverage is purchased.
9. **Trip Extension Endorsement** – On rare occasions and for an additional premium charge, mileage for a specific trip to a club meet, activity or exhibition may be excluded from the computation of the annual mileage limitation, subject to prior underwriting approval. Form V9107 (12/93) should be completed and system documented with proper amount.

DISCOUNTS

1. **Mature Operator Discount** -A 5% discount is applied to the Single Liability Limit, Personal Injury Protection, and Collision premiums when:
- a. An insured is 55 years of age or older; and
 - b. Has completed a motor vehicle accident prevention course which meets the criteria of the department of licensing within the past 2 years.

HOW TO REACH US WHEN YOU NEED US

TO REPORT A CLAIM:

Please **call**:
1-800-543-2644
Fax:
1-800-217-5150

or **Report Claims Online**:
<http://www.amig.com>
choose "Claims"
select "File a Claim"
select the "Automobiles" form

New Loss Notices may be sent to:
American Modern Insurance Group, Inc.
Attn: Customer Care
P.O. Box 5323
Cincinnati, Ohio 45201-5323

FOR CUSTOMER SERVICE OR BILLING QUESTIONS:

Please **call**: 1-800-562-8403

TO ORDER SUPPLIES:

Please **call**:
1-800-562-8403 or 1-425-771-8988
or **Fax**:
1-888-814-8701 or 1-425-775-9046

Supply orders may be sent to:
Pacific International Underwriters, Inc.
P.O. Box 2007
Edmonds, WA 98020-0907

When ordering, please refer to the form number at the lower left hand corner of this page.



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