



Mailing Address

*For applications, endorsement requests
and other mail:*

Kemper Personal and Commercial Lines
PO Box 223687
Dallas, TX 75222-3687

For Payments:

Kemper Personal and Commercial Lines
PO Box 660420
Dallas, TX 75266-0420

For overnight deliveries and couriers:

Kemper Personal and Commercial Lines
Executive Center II
8360 LBJ Freeway
Suite 400
Dallas, TX 75243

Important Phone Numbers:

Report a New Claim
888.253.7834

Claims Service
800 234 3606

Claims Service Fax
888.624.5318

Underwriting Service
800.456.0448

Underwriting Service Fax
800.218.8553

NSF Reimbursement Fax
214.570.7629

**Automated Policy Status,
Account Information &
To Make a Payment:**

800.933.8788 or *kemper.com*

Texas

Product Guide PPA

Effective: December 10, 2016

Kemper Personal And Commercial Lines

Coverages underwritten by one of the following companies:
Alpha Property & Casualty Insurance Company, Charter Indemnity Company,
Financial Indemnity Company, Unitrin County Mutual Insurance Company

Kemper is the trademark of Kemper Corporation

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Underwriting Guidelines

ACCEPTABILITY OF RISK

The Company underwrites all business submitted. Final acceptability is determined after a complete review of the submitted information. Check all of the "Unacceptable Risk" sections for operators or vehicles that should not be submitted to Kemper Personal and Commercial Lines. Since it is impossible to cover every aspect that might affect the acceptance of a risk, the Company must remain the final authority in the acceptance or continuation of any risk.

As part of the Underwriting Process, the Company may verify application information including discount proof, other operators and residents of the household

BINDING AUTHORITY

For coverage to be bound the applicant must meet all underwriting criteria.

New business may be bound no earlier than the time and date the applicant signs a fully completed application and pays the required down payment.

Applications must be uploaded within three calendar days of the application effective date.

APPLICATION

Complete the automated application fully and accurately. Transmit the application and proper down payment to the company within binding authority. **Proper supporting documentation must be faxed immediately upon uploading the application.** WebRater will provide a list of supporting documentation to be faxed at the point of sale. All other supporting documentation must be retained in your file to be available upon request.

Failure to provide all necessary information could result in a delay in policy issuance or in a policy being issued at a premium higher than initially quoted.

ENDORSEMENTS

Endorsements may be bound no earlier than the time and date of the request. Endorsements should be faxed to 800.218.8553 or submitted through our website at www.kemper.com within three calendar days of the effective date of the endorsement.

RESTRICTED BINDING

Agents will not bind any coverage in an area where a hailstorm, hurricane, tropical storm, tornado, or flood watch or warning is in effect at the time of application. Kemper Personal and Commercial Lines will not honor these applications.

PRIOR DAMAGE

Vehicles with existing damage are acceptable if said damage does not affect the safe operation of the vehicle. All existing damage must be noted on the application.

NAMED INSURED

The policy may be written only in the name of an individual or in the names of spouses or domestic partners who are residents of the same household. Only one policy may be issued to an individual, spouses or domestic partners.

Other than as cited above, a policy may not be written in the names of two or more individuals, including a parent and a child. If a vehicle is titled to two related persons, only one may be listed as the named insured. The company will list the second person as an Additional Insured if requested.

Other household members permanently residing with a named insured may list his or her vehicle on the policy provided he or she is declared as a driver and is also listed as an Additional Insured for that vehicle.

The vehicle owner/lessee may not be excluded.

Automobile leasing companies may be listed as an additional insured. However, no other businesses are acceptable as an additional insured.

Only one policy may be issued to family members residing in the same household.

NAMED NON-OWNER POLICIES

Liability coverage is available for operators of non-owned private passenger vehicles, whom do not have access to any personal use vehicle on a regular basis, including vehicles owned by household members. Non-owner policies provide minimum limits of liability protection for the named insured while driving a non-owned auto.

The named insured can be only one individual and coverage is provided only for the named individual while operating vehicles eligible for coverage under the Private Passenger Auto Policy that are not owned by the named insured or spouse and in some case, family members. Coverage is not provided for any person other than the individual named insured, such as spouses, family members, etc. A separate policy is required for each individual.

Physical damage coverage for non-owner policies is not available. Non-Owner coverage is not available for business use or artisan purposes.

Underwriting Guidelines

ELIGIBLE OPERATORS

All operators of the vehicles to be covered, and all residents of the household age 14 and older, must be disclosed on the application. All residents of legal driving age must be rated or excluded from the policy. Operators must meet all underwriting guidelines and permanently reside and garage all vehicles in the same state. Non-excluded operators may not live or work in Mexico.

Operators must have a valid U.S. Driver License or Foreign Driver License.

UNACCEPTABLE OPERATORS

The following operators are unacceptable. Do not bind coverage on the following risks:

Any operator who:

- is under the minimum State licensing age;
- does not have a valid Foreign or U.S. driver license, unless the U.S. license will be or has been reinstated with a FR-filing;
- has a felony conviction involving the use of an automobile, regardless of conviction date;

UNACCEPTABLE VEHICLES FOR ANY COVERAGE

The following vehicles are unacceptable. Do not bind coverage on the following risks:

- Vehicles titled or garaged outside the state of Texas;
- Flat bed, stake or modified bed trucks;
- Step vans, panel vans or cut-away vans;
- Aluminum or stainless steel cars;
- Custom, rebuilt, altered, or modified vehicles (including vehicles with lift kits), and specially built vehicles (including kit cars and Dune/Baja Buggies), off-road vehicles;
- Commercial or emergency vehicles, taxis, rental cars, or any vehicle for hire;
- Vehicles equipped with cooking equipment or a bathroom.
- Motor homes, trailers, or any vehicles that must be towed;
- Vehicles not registered to an insured, unless leased under a long-term lease contract from a leasing company;
- Vehicles with a load capacity in excess of one ton;
- Vehicles on the unacceptable list in this manual.
- Gray-market vehicles (those imported into the U.S. that were not originally manufactured for distribution or sale in this country);
- Vehicles with an original cost greater than \$75,000

ELIGIBLE VEHICLES

Eligible vehicles include private passenger automobiles, pickups, vans and utility vehicles.

UNACCEPTABLE VEHICLES FOR PHYSICAL DAMAGE COVERAGE

The following vehicles are unacceptable for physical damage coverage. Do not bind physical damage coverage on the following:

- Vehicles with existing damage are acceptable if said damage does not affect the safe operation of the vehicle. All existing damage must be noted on the application
- Antique, obsolete or other vehicles with an inflated value;
- Any vehicle with over \$5000 in additional/custom equipment (refer to coverages)
- Vehicles 20 years old or older.

UNACCEPTABLE VEHICLE USAGE

Vehicles used in any of the following are unacceptable. Do not bind coverage on the following risks:

- Vehicles used for pick-up or delivery of any type;
- Vehicles used for emergency or law enforcement;
- Vehicles used for any public or private livery transportation (limousines, taxis, busses or vanpools);
- Transporting nursery or school children;
- Vehicles used for short-term rentals;
- Vehicles used for snowplowing for hire;
- Vehicles used in racing, any type of speed or drag contest or any stunting activity;
- Vehicles used in delivery: mail/parcel post, messenger or courier service, newspaper;
- Vehicles used in business, except for farming, ranching, real estate sales or other sales-related occupations that do not involve delivery of any type or carrying passengers and co-workers in the course of business;
- Vehicles used as a residence;
- Vehicles leased or rented to other operators by the applicant;
- Vehicles available for use by resident operators, or other individuals with regular access, who are not listed on the policy.

Rating Guidelines

COMPUTER RATING AGENCY QUOTES

All applications must be uploaded through the company WebRater, located at www.kemper.com. No rating software is needed.

If assistance is needed, please call our tech support number, **866-859-5090 option 2**.

DRIVER CLASSES

Driver classes are determined based on the driver's date of birth, gender and marital status. The married classification

is for those drivers legally married, or deemed legally married by state law, and living with their spouse (except for those persons unable to live together due to military obligations). The single classification is for all other drivers.

If a driver is age 24 or younger and has a birthday within one month of the policy inception date, the policy is issued with the class reflecting the driver's age as of the upcoming birthday. The company rating software will apply this rule automatically.

The company does not change driver class on a policy during the policy term, except to recognize a change in marital status. Driver class and points are updated only at policy renewal.

DRIVER RELATIONSHIPS

As indicated above, household structure is a policy-rating factor. Therefore, please include each driver's relationship to the named insured when quoting a risk. The available options are spouse, parent, child or other.

DRIVER EXCLUSIONS

Any person other than a named insured may be excluded from coverage. Include the reason for the exclusion and driver license number in the Remarks section of the application. The named insured and the named insured's spouse, if applicable, must sign the exclusion of Named Driver Form.

The company gives the option to exclude any household member (except named insured) of driving age before adding them to the policy. Those driver exclusions received after the date provided in our request for information will be excluded from the policy as of the date received.

A surcharge applies when there is an excluded spouse on the policy.

INEXPERIENCED OPERATOR

If a driver, age 21 or older, has been licensed less than 35 months in the U.S. (including previously unlicensed, or foreign licenses), enter the "Inexperienced Operator" violation into the rater and it will add a surcharge, which shall apply until the policy anniversary at which the driver has been licensed for 35 months in the U.S.

If the driver has been licensed in another state within the prior 35 months, please provide the driver license number and state of licensing on the application to avoid unnecessary surcharge.

INCIDENT DETERMINATION

The experience period for both new and renewal business shall be the 35 months prior to the effective date of the policy.

Using the driving records of individual driver during the experience period, the rater will count the number of incidents.

If more than one incident results from a single incident, enter all accidents and violations from the incident in the rating software. The rater will automatically use the highest incident charge.

ENDORSEMENTS

If any automobile, driver or coverage is added during the policy term, the premium for the endorsement will be based on the rates in effect at the inception date of the policy.

If a policy is endorsed to provide coverage for an unacceptable vehicle, the policy will be cancelled if within the first 60-days of new business issuance or non-renewed at the anniversary date if beyond 60-days from the original effective date.

RENEWALS

Policies will be reviewed and re-rated at each renewal using current rates, point counts and classifications.

VEHICLE RATING

The rater automatically assigns vehicle factors for eligible vehicles.

Vehicle Identification Number (VIN)

The Company's system uses the VIN to verify vehicle and symbol. If the VIN on the application is incomplete or incorrect, it may result in delayed processing, incorrect rating or cancellation for unacceptability.

Vehicle History Report

Vehicle History Reports may be run on all vehicles and when a vehicle is added to the policy. A surcharge may apply based on events from the vehicle history including but not limited to frame damage, flood damage, salvaged title, and vehicles involved in fraud.

Rating Guidelines

UNVERIFIABLE MVR

If the driving record of any licensed vehicle operator or resident of the household cannot be verified for the preceding 35 months, add the "Unverifiable Driving Record" surcharge into the software and it will add a surcharge. This surcharge only applies to those persons licensed more than 35 months, with a period of 12 or more months, which cannot be verified (i.e., driver being out of the country, driver licensed in a state where an MVR cannot be obtained, etc.). If the prior driving record is subsequently verified we will remove the surcharge and the policy will be re-rated using the actual driving record. If the prior driving record is verified within the first 60 days of the policy term, the surcharge will be removed and policy re-rated as of the inception date.

FOREIGN DRIVER LICENSE

A driver who does not have a valid driver license issued by a state in the United States will be considered to have a foreign driver license and will be rated as such until they submit proof of a valid US driver license.

UPRATES

When a policy is issued at an amount higher than the amount quoted, the company will send a letter to the insured along with the new policy. The letter will show the uprated premium amount and reason(s) for the uprate. Any down payment shortage will be due immediately; the additional amount owed (if acceptable) will be divided equally among all remaining installments.

If the uprate is reduced or eliminated by a later endorsement, an outstanding installment bill will not be reissued. However, the reduced installment amount due (available by calling the company) may be paid. The remaining premium due will then be spread among the remaining unbilled installments.

If the policy is issued at an amount lower than the amount quoted, the return premium will be divided equally among the remaining installments. If the policy is paid in full, the balance will be refunded (refer to the Refund Checks section of the Direct Bill Program information).

Rating Guidelines

INSURANCE BUREAU SCORE

- A policy cannot be uploaded unless an insurance bureau score has been ordered.
- Be sure to include full name, address and social security number to avoid inaccurate or incomplete insurance bureau scores. Lexis Nexis is used as the supplier of insurance bureau scores.
- You will not receive any information contained in the applicant's insurance bureau score. The score is ordered, received and used exclusively in the rater.

- An applicant who suspects inaccuracies in his/her insurance bureau score can obtain a copy by calling Lexis Nexis after the confirmation is complete.

Compliance with Financial Responsibility Laws

- Compliance with Financial Responsibility Laws means the applicant has proof of private passenger automobile liability insurance, which verifies that the previous policy covered the named insured or rated spouse and provided at least 6 months continuous liability coverage.

PROOF OF FINANCIAL RESPONSIBILITY COMPLIANCE

Acceptable proof of prior coverage includes; company issued declarations pages, company issued ID cards, company issued renewal or non-renewal notices, a current premium invoice (billing notice) reflecting dates of prior coverage or a letter from a prior carrier.

- If prior policy liability limits were above 30/60, the proof must display the liability limits.
- The documentation must clearly reflect the dates of prior coverage (may be verified by the Company).
- Acceptable proof of prior coverage also includes a surety bond, certificate of deposit issued by the State Treasurer, evidence of a qualified self-insurance plan.
- Lapses in coverage must be clearly reflected in the documentation. If the expiration date on the prior policy is more than seven (7) days after the application effective date, additional documentation such as a recent billing, cancellation, renewal or non-renewal notice is also required to verify that the policy was in force.
- Prior insurance coverage must be from a carrier other than Kemper.

Acceptable proof of prior coverage must be faxed immediately upon upload, if WebRater is unable to verify prior coverage information entered at the point of sale.

TERRITORIES

The rater automatically assigns territories based on the garaging ZIP code. If the insured uses a post office box as a mailing address, the physical garaging address of each vehicle, including zip code, must also be provided.

Garaging locations outside of Texas are unacceptable. Texas policyholders moving out of the state should apply for insurance coverage in their new state of residence. Policyholders who do not cancel their Texas policy upon moving to a state where Alpha Property and Casualty Insurance Company or Financial Indemnity Company does not write business will be cancelled.

SPECIAL RATED VEHICLES

Special rated vehicles are vehicles which are applying for physical damage coverage and:

- Do not appear on the symbol list; or
- Are limited production, classic, or collectible vehicles; or
- Are vehicles having more than \$5,000 of additional/custom equipment not installed at the factory.

For Special Rated vehicles, an "Estimated Value" for the vehicle (including the total value of any additional/custom equipment) must be provided to facilitate rating. The estimated value is for rating purposes only and does not indicate the value payable in case of a covered claim, which will be handled and paid per the policy provisions and conditions. Estimated value will be compared to the cost of the vehicle when new and/or against a value assigned in one or more of the automobile valuation services. If estimated value does not closely match the comparison values, additional documentation will be required to verify the estimated value.

CANCELLATIONS

INSURED'S REQUEST

The named insured may cancel the policy either by returning the policy to the company or by giving the company written notice prior to the requested cancellation date.

A \$20 cancellation fee will apply for insured request cancels.

DUPLICATE COVERAGE

Backdated cancellations are permissible only if the company receives acceptable proof of duplicate coverage. If acceptable proof is not received, the policy will be cancelled effective the date of the request.

UNDERWRITING / NON-PAYMENT

A pending cancellation for underwriting reasons will not interrupt the billing cycle. If both, underwriting and non-payment cancellations are pending; the policy will not be reinstated unless conditions are satisfied for both.

RETURN PREMIUMS

Return premiums due to insured requested cancellations will be calculated on the prorated method. Unearned premium, if any, will be refunded to the named insured. If both, underwriting and non-payment cancellations are pending; the cancellation with the earliest effective date will be used to calculate the cancellation return premium.

REINSTATEMENTS

Policies cancelled for lack of information may be reinstated only if all information is received prior to the effective date of cancellation and the policy is not cancelled for non-payment of premium. A Reinstatement Fee of \$30 may apply.

Reinstatements at Mid-Term

- Policies are eligible for midterm reinstatement with up to a 10 day lapse.
- The agent must call Underwriting for approval.
- The agent must secure the insured's signature on Kemper Reinstatement Exception Agreement/Affidavit of No Losses and retain a copy in the office.
- Credit Card and check payments can be made by phone or we can sweep the agents account for payment.

Renewal with Lapse

- Policies can be renewed with up to a 30 lapse.
- Renewal payments can be uploaded on our web site (kemper.com) OR
- The insured can mail the payment, make it on our website or call 800-933-8788
- Once the payment is received the policy will be issued with new term dates.

Discount Guidelines

DISCOUNT PROOF

If acceptable proof of eligibility for discounts is not available when the application is completed, quote the policy and collect the down payment based on the undiscounted premium.

Proof of prior insurance documentation must be faxed to the Company when not verified through reports run at the point of sale. If acceptable discount proof is not received with the application, the policy will be issued without the discount, resulting in an increase in premium. If acceptable proof is not received within 30 days of policy inception, the discount will be endorsed onto the policy effective the date acceptable proof is received.

Supporting documentation for any discount must be maintained in the agency and be available upon request.

PAID IN FULL DISCOUNT

A discount applies to insureds who pay the quoted amount in full when the new business application is submitted to the company.

RESIDENCE DISCOUNT

A discount will be given if the insured maintains an owner's or renter's insurance policy on their house, condo or apartment. Acceptable proof of owner's or renter's insurance includes a copy of the declarations page of the insured's current policy.

MULTIPLE CAR DISCOUNT

A discount will be given on all coverages if two or more private passenger automobiles are covered on the same policy. The multiple car discount does not apply to motor homes or trailers and they will not be counted in determining if other vehicles are eligible for the discount.

ADVANCE QUOTE DISCOUNT

The discount is applied to policies written as new business if the quote is initiated (policy entry date) in our WebRater more than 7 days before the policy effective date and the policy has proof of prior insurance with no lapse in coverage. The discount continues to apply at renewal.

NEW CAR DISCOUNT

A discount may apply to a vehicle if it is within the seven (please verify seven years) most recent model years.

ELECTRONIC STABILITY CONTROL DISCOUNT

A discount will automatically be applied if the VIN shows that a vehicle is equipped with Vehicle Stabilization technology.

GOOD STUDENT DISCOUNT

A discount will be allowed if the insured meets the following requirements;

- driver is unmarried and age 24 or younger

- driver is enrolled as a full time student in high school, college or vocational, technical school.
- driver can provide scholastic records for the immediate preceding semester/quarter or comparable segment which shows the driver meets one of the following:
 - ◊ Ranked scholastically in the upper 20% of their class, or
 - ◊ Has a "B" average or better or,
 - ◊ has a 3.0 average or better or,
 - ◊ Is on the Dean's list or honor roll

Acceptable proof will be evaluated annually.

Direct Bill Guidelines

BILLING DUE DATE

The monthly billing due date is based upon the policy expiration date, not the inception date. The same date is used for each bill except in cases where that date does not occur in a given month. For example; a due date normally falling on the 31st will instead fall on the last day of any month with fewer than 31 days.

BILLING PROCEDURES

The initial bill is sent to the insured. A revised bill will not be issued unless there is 8 days prior to the payment due date.

Bills indicate the minimum payment and total balance due. Bills are also produced when a balance exists after cancellation or expiration.

RENEWAL PAYMENT OPTIONS

The renewal down payment bill is mailed prior to policy expiration. This bill gives the insured the option to pay the minimum amount due of one monthly installment (eliminating the need for a larger renewal down payment) or pay the renewal in full.

If the insured brings a payment in their office, the Agent must upload the payment on our website same date received.

KEMPER EZPAY PROGRAM

NEW BUSINESS Lower down payments and lower installment fees may be available when the insured chooses to participate in the Kemper EZPay Program. The Kemper EZPay Program is a direct withdrawal from the insured's checking or savings account for installment payments.

ENDORSEMENT PREMIUM

Additional and return premium endorsements will be divided equally among remaining unbilled installments, unless the policy premium is paid in full.

Outstanding bills will not be revised unless the endorsement is processed at least 8 days before the current billing due date. The insured should always pay the full amount of any outstanding bill.

A \$3 Endorsement Fee will apply for each premium bearing endorsement processed due to the policyholder's request. The fee will not apply for non premium bearing endorsements such as policy corrections or the re-printing of ID cards.

REFUND CHECKS

If the policy account balance is overpaid, excess policy premium will be applied to the renewal if the policy is within 60 days of renewal. If the policy is more than 60 days from renewal or the renewal is refused, a refund check is issued.

Refund checks will be issued within 15.

RETURNED DOWN PAYMENT

If the applicant's credit card or down payment check is returned or refused by the bank, the application for insurance coverage will automatically be null and void.

The agency will be reimbursed for any bank fees incurred due to the insured's returned check.

PAYMENTS

INSTALLMENT PAYMENTS

All payments should be made payable to the Company. The following payment methods are available:

- **Agent Payments Via Website** – Two easy payment methods are available from our website (www.specialty.kemper.com).

Agent Payments - You may accept payments from insured's in your office and transmit the payment electronically. Select the "EFT Payments" option.

Insured Payments – Insureds can make interim payments. Payments may be made by credit card or debit card (Visa or MasterCard) or from a checking or savings account. These options are available through our website (www.specialty.kemper.com) or by calling 800.933.8788

INSTALLMENT SERVICE FEE

The minimum installment service fee is \$3.50 per installment. The service fee is increased \$.50 for each \$250 of written premium or fraction thereof for which the total annual premium exceeds \$500. For your convenience, the following incomplete table is provided:

Annual Written Premium	Installment Fee
Less than \$500	\$3.50
\$501 to \$750	\$4.00
\$751 to \$1000	\$4.50
\$1001 to \$1250	\$5.00
\$1251 to \$1500	\$5.50
\$1501 to \$1750	\$6.00
\$1751 to \$2000	\$6.50
\$2001 to \$2250	\$7.00
\$2251 to \$2500	\$7.50
\$2501 to \$2750	\$8.00
\$2751 to \$3000	\$8.50
\$3001 to \$3250	\$9.00
\$3251 to \$3500	\$9.50
\$3501 to \$3750	\$10.00

Note: Installment Service Fees are capped at \$3.00 per installment for Kemper EZPay policies regardless of the total policy premium.

RETURNED PAYMENTS

ELECTRONIC SWEEP

If a payment was uploaded, the policy will be processed as if the insured's payment was made directly to the company. The agency will be reimbursed for any bank fees incurred due to the insured's returned check. If the returned payment occurs on the down payment, the application for insurance coverage will automatically be null and void, and if a policy had been issued, it will be cancelled back to inception.

The agent must notify the company immediately upon receipt of a returned check. A copy of the document should be faxed to 214-570-7629 for reimbursement.

RETURNED INSTALLMENT PAYMENT

If the insured's check for an installment payment, deposited by the company, is returned by the bank, the insured will be charged a \$25 NSF fee for the returned check and a cancellation notice for non-payment of premium will be issued. If the insured replaces the payment it must be Certified Funds or Money Order.

If the agent accepts and uploads a payment to satisfy an NSF payment, they must collect certified funds. Kemper will not reimburse and agent for dishonored funds that were uploaded to replaced an NSF payment.

RETURNED AGENCY PAYMENTS RETURNED AGENCY CHECKS

Checks that are returned to the company have been presented for payment twice. When agency checks are returned to the company:

- The agency will be called to advise that a CERTIFIED CHECK must be delivered to the company within three business days to replace the returned check. A notice with the same information will also be faxed to the agency. Failure to comply with these requirements may cause the agency contract to be terminated.
- The company will not subtract individual policy payments from the agent's commission to cover returned checks.
- If two agency checks are returned within six months of each other, or if three checks are returned within 12 months of each other, the company will terminate the agency contract for non-performance.

ELECTRONIC WITHDRAWAL NOT HONORED

When agents authorize the company to electronically withdraw payments from their account, the electronic withdrawal occurs up to three business days after submission of the transaction(s) to the company. If an electronic withdrawal is not honored:

- The agency will be contacted by the company to advise that the electronic funds transfer was not honored. The agency must either 1) verify that the required funds will be in the account if the electronic transfer is resubmitted, or 2) deliver a CERTIFIED CHECK to the company within three business days.
- The company will not subtract individual policy payments from the agent's commission to cover dishonored electronic funds transfers.
- If two electronic transfers are not honored within six months of each other, or if three electronic transfers are not honored within 12 months of each other, the company will terminate the agency contract for non-performance.

LATE INSTALLMENT PAYMENTS

An installment payment is considered late when the payment is received after the due date. An installment payment is not considered late when the payment is uploaded on the due date or received by the agent on the due date. If the policy holder mails the payment it must be postmarked the day before the due date to avoid a late fee being charged.

A **\$10.00** late payment fee will be added to the next bill for any mailed installment not postmarked before the due date or electronic payment not uploaded by the due date.

RENEWAL PAYMENTS

To renew the policy, the payment for at least the required minimum amount must be **postmarked or uploaded by**

the renewal expiration date. Otherwise, coverage will terminate.

SR22 FILING

A \$25 fee will be charged when a SR22 is added to the policy. SR22 fees are fully earned at inception and not refundable in the event of cancellation. We offer SR22's for States in which our Company is licensed, please contact Underwriting if an out of state SR22 is needed.

FEES

Policy fees, service fees and returned check charges are earned as they occur and are not refundable.

BURGLARY & THEFT PREVENTION FEE

In accordance with Article 4413.37 of the Texas Civil Statutes all auto policies providing primary liability coverage are subject to the Automobile Theft Prevention Authority Fee. Texas Administrative Code 5.205 authorizes each insurer to recoup this fee from the policyholder. For annual policies, the fee is \$2.00 per vehicle (\$1.00 for six-month policies). If a vehicle is deleted or policy is cancelled, no portion of the fee is refunded; however, if a vehicle is added to the policy mid-term, the fee for the additional vehicle is pro-rated.

Coverage & Claims Guidelines

COVERAGES

Bodily Injury

\$30,000 / \$60,000
\$50,000 / \$100,000
\$100,000 / \$300,000

- All vehicles must have same BI limits
- 100/300 limits of liability are not allowed on policies requiring an SR22-filing

Property Damage

\$25,000
\$50,000
\$100,000

- All vehicles must have same PD limits
- PD limit cannot exceed the BI per person limit

Uninsured Motorist Bodily Injury

\$30,000 / \$60,000
\$50,000 / \$100,000
\$100,000 / \$300,000

- Signed Rejection required if not desired.
- All vehicles must have same UMBI limits
- Limit must be equal or lower than BI limits

Underinsured Motorists Property Damage (UMP)

\$25,000
\$50,000
\$100,000

- Signed Rejection required if coverage is not desired. All vehicles must have same UMP limits
- Limits must be equal to or less than PD limits
- Optional Coverage
- Must have UMBI coverage

Medical Payments

\$500
\$1,000
\$2,500
\$5,000

- Limits are per person/per accident
- Cannot have MED and PIP coverage
- Limits must be the same for all vehicles

Personal Injury Protection (PIP)

\$2,500
\$5,000

- Signed Rejection required if coverage is not desired.
- Limits are per person/per accident
- Cannot have MED and PIP coverage
- Limits must be the same for all vehicles

Comprehensive and Collision Deductibles

\$100
\$250
\$500
\$1,000

- Comprehensive and Collision must be written together.
- Deductibles can vary on a multi-car policy.
- Physical damage only policies are not available.

The following are unacceptable for coverage:

- Cellular telephones;
- Citizens band radios, scanners, and two-way mobile radios;
- Radar or laser detection equipment;
- Tapes, records, CDs, or their containers;
- Equipment for cooking or bathroom
- Sound reproduction equipment not permanently installed by the manufacturer and not installed in the opening of the dash or console formally used for that purpose.

RENTAL REIMBURSEMENT

\$20/day, \$600 maximum
\$30/day, \$900 maximum

- Physical damage coverage required
- Mileage charges not covered

PHYSICAL DAMAGE ONLY POLICIES ARE NOT AVAILABLE.

COVERAGES

ADDITIONAL/CUSTOM EQUIPMENT

All acceptable equipment must be listed on the application and an additional premium must be paid based on the cost new of the equipment. The company WebRater will quote this coverage based on the cost new of additional/custom equipment entered. The physical damage deductibles apply to additional/custom equipment. Standard equipment installed by the auto manufacturer (factory) is covered under physical damage coverage. Equipment option or furnishings (including customization packages) installed after leaving the factory, as well as those options not considered part of the standard equipment package are considered additional/custom equipment.

It is the agent's responsibility to ask the applicant questions about custom furnishings and equipment and provide this information to the Company.

If any vehicle to be added to the policy has over \$5,000 in additional/custom equipment, please see the Special Rated Vehicles section under the Rating Guidelines for special estimated value requirements.

STEREO/SOUND SYSTEMS

Stereo/sound systems installed by the manufacturer as standard factory equipment are covered under physical

damage, up to their actual cash value, subject to the deductibles shown in the Declarations.

All other stereo/sound systems are covered under physical damage up to a value not to exceed the original manufacturer's value, subject to the deductibles shown in the Declarations.

Additional coverage may be purchased. To rate the additional coverage, subtract the value of the original manufacturer's stereo/sound system from the current value of the stereo/sound system and rate the balance using the company WebRater.

BUSINESS USE

A Business Use surcharge will apply to the following vehicles:

1. Personally-owned/registered private passenger vehicles used in business (e.g., realtors, home sales – Avon or Amway type products);
2. Artisan-type risks – Self-employed, owner-operated contractors, drywallers, gardeners, etc. Pickups, vans and utility vehicles used by the insured in his/her business or employment. **Vehicles used in wholesale or retail delivery are unacceptable.** Please refer to the Unacceptable Risks list for a complete listing. All vehicles must still meet the Private Passenger guidelines and policy contract definitions. Vehicles must be:
 - a. One ton or less;
 - b. Owned by the named insured (individually owned/registered – no business names);
 - c. No flatbed, stake bed or modified/altered vehicles;
 - d. Driven by the named insured. Employee-driven vehicles are not permitted.

Unless there is an indication on the application that the self-employed artisan with a pickup/van has another vehicles that used for business on a commercial policy, the surcharge will apply.

- Minimum limits only allowed with business use.
- Business use is only allowed on one vehicle per policy.

CLAIMS PROCEDURES

All losses must be reported directly to the company by telephone or fax, by either the agency or the insured. Claims may be reported 24 hours a day, 7 days a week.

TOLL FREE CLAIMS REPORTING 888-253-7834

Agents do not have authority to assign an adjusting firm or authorize repairs without express per-file authority from company claims personnel.

POLICY AND CLAIM STATUS INQUIRIES

Please use the following numbers to report claims information:

To phone a First Notice of Loss Report-
888.253.7834

To fax a First Notice of Loss Report-
877.444.8282

To fax all correspondence on claims-
888.624.5318

We also encourage agents to use our Web page. Just log on at www.specialty.kemper.com and follow the easy-to-use instructions. Questions regarding the Web site may be directed to our Sales Department at (800) 456-1919 ext.1440. Our Customer Service Unit will assist you with more complex underwriting, premium payment and accounting questions.

- Dallas, TX Office: (800) 456-0448

Driving Record Incident Table

ACCIDENTS & VIOLATIONS

Count all violations and not-at-fault accidents for the past 35-months experience period received while operating a private passenger automobile or motorcycle. Count all at-fault accidents and comprehensive incidents for the past 59-months experience period while operating a private passenger automobile or motorcycle. Use the citation date for violations appearing on the driving record. For multiple incidents arising out of one occurrence, only the highest rated incident will be used.

Chargeable Accidents

Any accident shall be considered chargeable unless documentation is furnished describing the accident and showing that the applicant was less than 50% at fault. This documentation shall consist of a police report, a written statement from the other party's insurance carrier, applicant's previous insurance carrier or similar legal document verifying that the applicant was: reimbursed for damages or legally parked when the accident occurred or lawfully stopped at a stop sign or traffic light when the vehicle was rear-ended by another vehicle or clearly less than 50% at fault. Documentation can be submitted for underwriting review after the policy is uploaded. Applicants signed statement or letters from attorneys are not acceptable.

DUI

Driving Under the Influence of Alcohol or Driving While Intoxicated

Refusal of Alcohol Test (Implied Consent Law)

Open Container

All other alcohol-related violations (Unless in combination with any other drug or narcotic, which will then be considered drug related and charged as a Major Violation)

Major Violations

All Drug-Related Violations

Exhibition of Speed (Other than Normal Speeding)/Speed Contest

Reckless Driving

Careless Driving

Eluding a Police Officer

Hit and Run

Operate Vehicle without Consent

Violation of Anti-Theft Laws

Minor Violations

Driving While License Suspended or Revoked

Illegal Lane Change

Failure to Have Vehicle Under Control

Stop Violation

Failure to Stop

Equipment Failure/Defective Equipment

Defective Brakes

Unsafe Turn

Turn Violation

Light Violation

Unlawful use of driver license

Text/Cell

Speeding Violations

Speeding

Speeding Under Posted Minimum / Too Slow

Unacceptable Violations*

Felony, Manslaughter, Murder or Assault with a motor vehicle, Homicide with a motor vehicle?, Permanently Suspended or Revoked Licenses, insurance fraud

*If driver has an unacceptable violation, it will be treated as a major violation and the policy will be set up for non-renewal.

Unacceptable Vehicle List

Year	Make	Model
2014	Audi	S8
2013	Audi	S8
2012	Audi	S8
2011	Audi	S8
2010	Audi	S8
2009	Audi	S8
Any	Audi	R9
Any	Audi	R8
Any	Audi	RS7
2014	BMW	M6
2013	BMW	M6
2012	BMW	M6
2011	BMW	M6
2010	BMW	M6
2009	BMW	M6
2008	BMW	M6
2007	BMW	M6
Any	BMW	760
Any	BMW	760i
Any	BMW	760Li
Any	BMW	Alpina B7
Any	BMW	Z8
Any	BMW	850 CSI
Any	Chevrolet	Corvette ZR1
2014	Dodge	Viper GTS
2013	Dodge	Viper GTS
2012	Dodge	Viper GTS
2014	Dodge	Viper SRT
2013	Dodge	Viper SRT
2012	Dodge	Viper SRT
2014	Dodge	Viper SR10
2013	Dodge	Viper SR10
2012	Dodge	Viper SR10
Any	Ford	500
Any	Ford	SHELBY
Any	Hummer	H1
2014	Jaguar	XKR
2013	Jaguar	XKR
2012	Jaguar	XKR
2011	Jaguar	XKR
2010	Jaguar	XKR
2009	Jaguar	XKR
Any	Jaguar	XKR-S
Any	Jaguar	XJR
Any	Jaguar	Supersport
Any	Jaguar	XJL Ultimate
Any	Land Rover	Range Rover 5.0 L V8 Supercharged Autobiography
Any	Land Rover	Range Rover Supercharged Autobiography
Any	Lexus	LFA
Any	Lexus	LS600h
Any	Mercedes Benz	CL550
Any	Mercedes Benz	CL600
Any	Mercedes Benz	CL63
Any	Mercedes Benz	CL65
Any	Mercedes Benz	G550
Any	Mercedes Benz	GL63
Any	Mercedes Benz	S600
Any	Mercedes Benz	S63

Unacceptable Vehicle List Con't

Year	Make	Model
Any	Mercedes Benz	S65
Any	Mercedes Benz	SLS
Any	Mercedes Benz	SL550
Any	Mercedes Benz	SL600
Any	Mercedes Benz	SL550
Any	Mercedes Benz	SL600
Any	Mercedes Benz	SL550
Any	Mercedes Benz	SL63
Any	Mercedes Benz	SL65
Any	Nissan	GT-R Black Edition
Any	Nissan	GTR Black Edition
Any	Nissan	GTR
Any	Nissan	Black Edition
Any	Nissan	GT-R BE
Any	Nissan	GTR BE
Any	Nissan	GT-R Track Edition
Any	Nissan	GTR Track Edition
Any	Nissan	GTR
Any	Nissan	Track Edition
Any	Nissan	GT-R TE
Any	Nissan	GTR TE
2014	Porsche	911 Carrera 4 Cabriolet
2013	Porsche	911 Carrera 4 Cabriolet
2012	Porsche	911 Carrera 4 Cabriolet
2014	Porsche	911 Carrera S Cabriolet
2013	Porsche	911 Carrera S Cabriolet
2012	Porsche	911 Carrera S Cabriolet
2011	Porsche	911 Carrera S Cabriolet
2010	Porsche	911 Carrera S Cabriolet
Any	Porsche	911 RS
Any	Porsche	911 GT2
Any	Porsche	911 GT3
Any	Porsche	911 GTS
2014	Porsche	911 Targa 4S
2013	Porsche	911 Targa 4S
2012	Porsche	911 Targa 4S
2011	Porsche	911 Targa 4S
2010	Porsche	911 Targa 4S
2009	Porsche	911 Targa 4S
2008	Porsche	911 Targa 4S
Any	Porsche	911 Turbo
Any	Porsche	911 Turbo S
Any	Porsche	Carrera GT
2014	Porsche	Cayenne Turbo
2013	Porsche	Cayenne Turbo
2012	Porsche	Cayenne Turbo
2011	Porsche	Cayenne Turbo
2010	Porsche	Cayenne Turbo
Any	Porsche	Cayenne Turbo S
Any	Porsche	Panamera 4S Executive
Any	Porsche	Panamera GTS
Any	Porsche	Panamera Turbo
Any	Porsche	Panamera Turbo Executive

Unacceptable Makes – Any Year or Model

Alfa Romeo	Lotus
AM General	Maserati
Aston Martin	Maybach
Avanti	McLaren
Bentley	Miles
Bertone	Panther
Bugatti	Pini
Coda	Pininfarina
Daewoo	Rolls Royce
Delorean	Sterling
Ferrari	Tesla
Fiat	Triumph
Fiat/Bertone	TVR
Fisker	VPG
Laforza	Wheego
Lamborghini	Yugo
Lancia	