



# AMERICAN FREEDOM INSURANCE COMPANY



*The Company with a Long Term Perspective*

## ILLINOIS

**EFFECTIVE: JULY 1, 2015 FOR NEW BUSINESS  
SEPTEMBER 1, 2015 FOR RENEWALS**

- ❖ **Accepting TVDL Licenses**
- ❖ **Accepting SR-22's For Created Record**
- ❖ **Se Habla Español**



**“A” EXCELLENT**

### POPULAR (VALUE) & DYNAMIC (SYMBOL) PROGRAMS

<b>Website:</b>	<a href="http://www.americanfreedomins.com">www.americanfreedomins.com</a>
<b>Telephone:</b> Spanish Customer Service Claim Customer Service Policy Customer Service/Billing	<b>847-758-9300</b> Press 2 Press 3 Press 4
<b>IVR: Interactive Voice Response</b> for Direct Bill Payments	<b>866-363-8768</b>
<b>FAX: Policy Customer Service</b> Claim Customer Service	<b>847-758-9685</b> <b>847-258-3077</b>
<b>E-mail: Policy Customer Service</b> Claim Customer Service Marketing	<a href="mailto:Policy_Services@americanfreedomins.com">Policy_Services@americanfreedomins.com</a> <a href="mailto:claims@americanfreedomins.com">claims@americanfreedomins.com</a> <a href="mailto:marketing@americanfreedomins.com">marketing@americanfreedomins.com</a>
<b>Hours of Operation</b>	Monday through Friday: 8:00am - 4:30pm CST Saturday: 8:00am - 1:00pm CST

**AM**

**559 West Golf Road  
Arlington Heights, Illinois 60005**

# TABLE OF CONTENTS

## ACCEPTABILITY CRITERIA

PRIOR APPROVAL .....	8
UNACCEPTABLE RISKS .....	8-9
UNACCEPTABLE VEHICLES .....	9

<u>CLAIMS</u> .....	2
---------------------	---

<u>DISCOUNTS</u> .....	3-4
------------------------	-----

## COVERAGE RULES

CONVERSION VAN.....	13
LIABILITY INCLUDING UNINSURED/UNDERINSURED MOTORIST.....	11
MEDICAL PAYMENTS .....	11
PHYSICAL DAMAGE .....	11-12
RENTAL .....	12
SPECIAL EQUIPMENT.....	12
TOWING .....	12

<u>PAY PLANS</u> .....	14
------------------------	----

## RATING

ACCIDENTS .....	10
DETERMINING POINT ASSIGNMENTS .....	10
DRIVERS .....	10
DRIVING RECORD.....	10
LICENSE STATUS.....	10
POLICY TERM.....	10

## UNDERWRITING RULES

ARTISAN USE .....	6
AUTO REWRITES .....	7
BINDING .....	5
BUSINESS USE.....	6
CANCELLATION.....	6-7
ENDORSEMENT .....	7-8
FINANCIAL RESPONSIBILITY FILINGS .....	8
MATERIAL MISREPRESENTATION .....	5
NON-OWNER'S POLICY .....	8
PRODUCER RESPONSIBILITIES.....	5
REINSTATEMENT/REWRITTEN .....	7
RENEWAL .....	8
TERRITORY .....	10
WEATHER RESTRICTION.....	6

<u>CONFIDENTIALITY &amp; PRIVACY</u> .....	5
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## CLAIM SERVICE

**PLEASE FOLLOW THE PROCEDURES BELOW SO WE CAN SERVE YOU BETTER.**

### CLAIM HANDLING PROCEDURES

American Freedom Insurance Company is committed to providing you and your customers with the best claim service possible. To help us help you and your customers, please follow the procedures below:

1. Telephone or utilize the Company webpage **www.americanfreedomins.com** 24/7 to report all losses, no matter how minor, immediately to the Company.
2. Mail, email or fax estimates, police reports and all other documentation to the attention of our claim department. Be sure to include **policy number, insured's name, adjuster's name, and claim number** (when known) on each and every document submitted.
3. Return the AFIC Accident Report form to the Company immediately upon completion.
4. Repairs or replacements may not be authorized without American Freedom Claim Department approval and to do so is a violation of the policy provisions, which could result in the denial of the claim.

Our objective is to satisfy you and your customer with effective and expeditious claim service. To initiate the process:

1. Please report all losses to us immediately.
2. Notify the Company of any suspicious, fraudulent or suspected fraudulent activity.

# DISCOUNTS

DISCOUNT	QUALIFICATIONS	REQUIRED DOCUMENTATION
AAA	<ul style="list-style-type: none"> <li>This discount applies to AAA members and related members of the same household. Household means an individual or group of individuals living together and related by blood, marriage or adoption, including wards or foster children of any of these individuals.</li> </ul>	<ul style="list-style-type: none"> <li>Copy of membership card</li> </ul>
MULTI-CAR	<ul style="list-style-type: none"> <li>Applies to all vehicles garaged in the same zip code on the same policy. If a vehicle is listed on the policy and does not have the same garaging zip code as another vehicle on the policy, then the Multi-Car Discount does not apply to that vehicle.</li> </ul>	N/A
HOMEOWNER	<ul style="list-style-type: none"> <li>The named Insured or spouse must own, but not necessarily reside in, a home, town home or condominium.</li> </ul>	<ul style="list-style-type: none"> <li>Proof of home ownership can be any combination of documents that indicate name, address and proof that insured owns, is making payments on or is insuring the home.</li> </ul>
MOBILE HOMEOWNER	<ul style="list-style-type: none"> <li>A discount applies when the named insured or spouse owns and insures the mobile home where they reside and owns the land on which it is located.</li> <li>The address listed must match the named insured's address listed on our Company's policy</li> <li>The mobile home must be 10 years old or newer</li> </ul>	<ul style="list-style-type: none"> <li>A mortgage coupon, property tax record or a deed</li> </ul>
NON-OWNER POLICY	<ul style="list-style-type: none"> <li>Named non-owner policies for individuals who do not own a vehicle and who do not have regular access to a vehicle</li> <li>There is no coverage to a person while engaged in delivery, chauffeur, messenger or similar services</li> <li>No other discounts apply</li> <li>Not available on higher limits</li> </ul>	N/A
YEARS CLEAN ACCIDENT & VIOLATION FREE (Transfer)	<ul style="list-style-type: none"> <li>A discount applies to new and renewal policies as long as the following criteria are met:               <ol style="list-style-type: none"> <li>1.) The policy has 6 month prior insurance with no lapse or with a lapse of less than 30 days.                   <ol style="list-style-type: none"> <li>a. The coverages requested must be the same as or greater than on the renewal offer, unless Physical Damage is being added.</li> <li>b. Applicable driving record surcharges and points included on the renewal offer will be assessed by the Company.</li> <li>c. The proof of prior coverage must show the policy expiration date and <b>renewal premium</b> and have been for a minimum of 6 months.</li> <li>d. Lapse cannot exceed 30 days.</li> </ol> </li> <li>2.) None of the rated drivers have any violations and/or accidents at fault or not at fault in the past 35 months.</li> <li>3.) The principal named insured is at least 21 years old.</li> </ol> </li> <li>The discount continues to apply at renewal</li> </ul>	<ul style="list-style-type: none"> <li>Renewal offer, renewal quotation, current declaration page, current ID Card, or letter of experience are acceptable proof of prior coverage.</li> </ul>
RENEWAL	<ul style="list-style-type: none"> <li>A discount applies at the time of renewal as long as the policy has been effective for at least six months with no more than a 30 day lapse in coverage</li> <li>The Years Clean Accident &amp; Violation Free Discount continues to apply at renewal</li> </ul>	N/A
LIABILITY ONLY	<ul style="list-style-type: none"> <li>A discount will apply for policies that have only liability coverage</li> <li>For purposes of this rule, liability only coverage means no vehicle on the policy has physical damage coverage</li> <li>If physical damage coverage is added to a policy that had liability only coverage then the discount will no longer apply beginning on the effective day of the endorsement</li> <li>If physical damage is removed from a policy such that no vehicles have physical damage coverage then the liability only discount will apply beginning on the effective day of the endorsement</li> <li>The Liability Only Coverage Discount does NOT apply to non-owner policies</li> <li>The Liability Only Coverage Discount does NOT apply to policies with SR22.</li> </ul>	N/A
PHYSICAL DAMAGE ONLY	<ul style="list-style-type: none"> <li>A discount will apply for policies that have only physical damage coverage</li> <li>For purposes of this rule, physical damage only coverage means no vehicle on the policy has liability coverage</li> <li>If liability coverage is added to a policy that had physical damage only coverage then the discount will no longer apply beginning on the effective day of the endorsement</li> <li>If liability is removed from a policy such that no vehicles have liability coverage then the physical damage only discount will apply beginning on the effective day of the endorsement</li> </ul>	N/A

DISCOUNT	QUALIFICATIONS	REQUIRED DOCUMENTATION
<b>DEFENSIVE DRIVING</b>	<ul style="list-style-type: none"> <li>• The discount will be applied in addition to all other discounts if an operator of the vehicle is age 55 or older and has successfully completed a Defensive Driving Course</li> <li>• The discount will apply for the length of the document certification</li> </ul>	<ul style="list-style-type: none"> <li>• Documentation of the course completion.. Documentation will be considered valid if completed within three years of issuance/endorsement.</li> </ul>
<b>DIRECT BILL</b>	<ul style="list-style-type: none"> <li>• Applicable to operators using direct bill pay options</li> </ul>	N/A
<b>ANTI-THEFT</b>	<ul style="list-style-type: none"> <li>• <b>Vehicle Model Year 1995 and Newer</b> – Automatically applied to any vehicle Model year 1995 and newer.</li> <li>• <b>Vehicle Model Year 1994 and Older</b> – Applicable to any vehicle with an anti-theft device installed.</li> <li>• <b>Accepted anti-theft devices</b> – Ignition or starter cut-off switch, non-passive operated alarm, passive alarm system, non-passive internally operated alarm, high security ignition replacement lock, passive fuel cut-off switch, passive ignition cut-off system, passive alarm system equipped with redundant starting means.</li> </ul>	<ul style="list-style-type: none"> <li>• 1995 and newer-No proof of installation is required.</li> <li>• 1994 and Older-Proof of installation is required.</li> </ul>
<b>ADVANCE</b>	<ul style="list-style-type: none"> <li>• Applicable to policies for new business if the American Freedom quote is initiated by customer at least 7 days before the policy effective date.</li> <li>• The Company will require proof for audit purposes.</li> <li>• This discount only applies for new business that includes proof of prior insurance.</li> </ul>	<ul style="list-style-type: none"> <li>• In order for this discount to apply, the named insured must have proof of prior insurance for 6 months or more prior to the policy effective date and there is no lapse in coverage.</li> </ul>
<b>PAID-IN-FULL</b>	<ul style="list-style-type: none"> <li>• A discount applies if the applicant is a direct bill customer and submits the entire policy premium at the time of application not using outside premium finance.</li> </ul>	N/A
<b>EFT</b>	<ul style="list-style-type: none"> <li>• A discount applies to the new business term if the direct bill policyholder chooses an Insured EFT pay plan and makes the down payment by either direct withdrawal from policyholder checking account or debit/credit card.</li> <li>• The discount is applied at renewal if an Insured EFT pay plan is selected. At renewal, the EFT discount continues and the payment will automatically be withdrawn, unless company is notified 15 days prior to the renewal date.</li> <li>• If a policy is changed from a non-EFT pay plan to an EFT pay plan, the discount will be applied as of the effective date of the change.</li> <li>• If the policy is changed from an EFT pay plan to a non-EFT pay plan, the discount will be removed as of the effective date of the change.</li> </ul>	<ul style="list-style-type: none"> <li>• Signed EFT Authorization Form</li> </ul>

# **UNDERWRITING RULES**

## **BINDING**

1. No binding authority is granted outside the procedures listed below unless specifically agreed to in writing.
2. Underwriting criteria for acceptability must be met and a complete application signed by a licensed producer or applicant for coverage to be bound or effective.
3. Risks will be bound one-half hour after the facsimile, electronic request or transmittal is received by the Company. The effective date disclosed on the policy will be 12:01 am on the day following the date received, unless a later date is requested. For all mail requests, binding will begin on the day after the postmarked date.
4. The top of the American Freedom application contains a section for binder use that must be completed. Unbound applications, or those received without the above information, will be made effective the day after the facsimile or electronic request is received, the postmarked date or on a future specified effective date.
5. The producer is responsible for follow-up on all requests sent to the Company, if not acted upon within 15 calendar days. To be considered, "Second Requests" must be received within 30 days of the original requested effective date.
6. For Direct Bill policies, the full downpayment must be forwarded with the application or policy request.
7. Physical Damage coverage may not be bound on new business or added to or increased on an existing policy in counties where the national weather service has issued a hurricane, tornado, hailstorm, flood, or other severe weather watch or warning.
8. American Freedom reserves the right to final underwrite and approve all submitted risks.
9. If policy is cancelled by another company, please supply the cancel notice with the application.

## **CONFIDENTIALITY & PRIVACY**

1. By granting you electronic access to our policy administration system and the ability to view confidential underwriting information contained in our policy administration system, you agree to comply with our Privacy Policy and to maintain the appropriate security safeguards to insure compliance therein. In addition, you agree to defend, indemnify and hold us harmless should you fail to maintain the necessary security safeguards to comply with our Privacy Policy.
2. Neither party will disclose the Confidential and Proprietary Information of the other to any third party. Confidential and Proprietary Information includes, but is not limited to, description of services, business methods and procedures, rates, forms and fees, information relating to productivity and performance quality, financial information, and any other information that a disclosing party may designate as "Confidential and Proprietary Information".
3. Neither party shall disclose Customer/Claimant Information to any third party except as authorized, required or permitted by law and only if such disclosure is necessary to fulfill their respective obligations.
4. Unless otherwise directed by governmental authority, each party shall, where practicable, immediately notify the other of any breach of security, intrusion, or any unauthorized access acquisition, disclosure, or use of the Customer/Claimant Information that one has provided to the other (collectively "Breach").

## **PRODUCER RESPONSIBILITIES**

Thank you for choosing to do business with American Freedom Insurance Company. We are proud of our ability to provide you with a quality product and we look forward to a long and mutually beneficial relationship. We request that you take your producer responsibilities with American Freedom seriously. Please adhere to the following rules:

1. Producer must review all aspects of the completed insurance application with the insured and provide a copy of the completed application to the insured with the declaration page and policy.
2. In the event a lawsuit is filed against the insured or the driver of the insured's vehicle as a result of an accident, it is essential that you notify the Company and promptly forward all complaints, summonses and/or other suit papers to American Freedom.
3. Please be sure that you and all of your representatives are familiar with the Illinois Insurance Code, the American Freedom policy contract including all coverages and restrictions, and all other pertinent regulations, statutes, laws, confidentiality and privacy, information and materials applicable to an insurance transaction involving American Freedom.
4. Prior to providing a quote on a risk for new business, renewal or an endorsement, describe and offer all coverages, coverage options, discounts and pay plans to an applicant.
5. When an applicant intends to reject a coverage or when a driver is to be excluded, the rejection of this coverage or exclusion must be by signature, the document must be signed, and dated for it to be in force. If not dated, electronic transmittal, postmark or facsimile date will be utilized.
6. On applications including a request for physical damage coverage, all prior damage must be listed on the application and considered in determining the value of the vehicle.
7. American Freedom may not pay a claim on a policy if the information presented on the application or endorsement request, including the listing of prior damage to the insured vehicles(s), is in any way false, misleading, misrepresented or incomplete.
8. Any exception to any rule must be approved in advance and in writing. Call customer service for further information.
9. Only the contracted producer is authorized to deliver a policy of insurance to the insured. The delivery must be direct to the insured and not through a sub-producer.
10. In the event that your agency contract is cancelled, American Freedom reserves the right to require that all renewal requests be paid in full.

## **MATERIAL MISREPRESENTATION**

The insured is responsible and obligated to be truthful and complete the application for insurance in full. Material misrepresentation on the applicant may affect the insured's eligibility to receive the benefits of the insurance contract. If statements in the application differ from the records of the Department of Motor Vehicles, the proper additional or return premium will be processed without prior notice. Additionally, the company may elect to cancel for undisclosed violations.

American Freedom has the right to deny a claim on a policy if information presented on the application is false and misleading and this information results in a premium change or in the Company accepting an otherwise acceptable risk.

Among the information most often misrepresented:

1. Drivers (list or exclude all persons age fourteen (14) or older in the household).
2. Driving Record
3. Vehicle type and use
4. Garaging address
5. State of residence (must live in Illinois at least ten (10) months of the year.)
6. Marital Status

## **WEATHER RESTRICTIONS**

Binding authority will be suspended for physical damage coverage when the National Weather Service issues a hurricane, tornado, flood, hail, winter storm, or other similar natural disaster "watch" or "warning" within 100 miles of the location of the proposed risk. During the watch or warning, an agent may not bind any new risk or new vehicle with physical damage, lower the deductible, or add physical damage to any existing liability only policy. The restriction will remain in place until the day following the event for which the notice was intended.

**THIS RATE MANUAL DOES NOT CONTAIN ALL OF THE RULES OF AMERICAN FREEDOM. ADDITIONAL UNDERWRITING CRITERIA IS CONSIDERED BY THE COMPANY IN THE ACCEPTANCE OR REJECTION OF A RISK AND IN THE DETERMINATION OF THE APPLICABLE PREMIUM. SHOULD YOU HAVE ANY QUESTIONS, PLEASE CONTACT AMERICAN FREEDOM CUSTOMER SERVICE BEFORE QUOTING A RISK.**

## **BUSINESS/ARTISAN USE**

The Business Use Charge will be applied to all vehicles used for Business or Artisan Use. Business/Artisan use means use of the insured auto in trade, profession, occupation, course of employment, job, work, or skill in particular craft in which one is engaged. Provide details about the business or artisan use on the application.

**Acceptable Business/Artisan Use includes, but is not limited to:**

1. Occupations such as sales, service or travel to hospitals, clinics, courthouses, job sites, client homes, carpentry, plumbing, masonry, real estate, or insurance agents, lawyers, doctors, accountants.
2. Vehicles owned by the insured and used by domestic employees (e.g. maid, chauffeurs)
3. Vehicles used in a business for occasional errands.
4. Tools or equipment carried cannot weigh more than 500 lbs.
5. Vehicle cannot be used to travel beyond a 50 mile radius of the garaging location.
6. Only one business use vehicle is permitted per household and per policy.
7. Business use must be incidental and not the primary use of the vehicle

**Business/Artisan Use Guidelines** – Business/Artisan vehicles are used to carry tools and supplies between the insured's home and job site.

The Business Use Charge will be applied to Artisan Use Vehicles. Pickups, vans and utility vehicles are not acceptable for Business Use unless they are used as an artisan vehicle and meet the following guidelines:

1. Vehicle visits no more than 2 job sites per day.
2. Vehicles used in artisan type occupations such as carpentry, plumbing, and masonry when the vehicle is only used as a means of transportation of the non self employed insured and his/her tools to and from the job site.
3. Vehicle is the only one used and owned by the insured for business purposes.
4. Vehicle is operated only by the insured or other family members. No employee operators are permitted.
5. Vehicle may only be driven within a radius of 100 miles for business purposes.
6. Vehicle is not used to transport explosives, chemicals, flammable liquids/materials, or more than 500 pounds of supplies or equipment.
7. Vehicle does not have a load capacity of one ton or greater or a gross vehicle weight rating (according to the manufacturer's specifications) greater than 12,000 pounds.
8. Only one artisan vehicle can be insured per household and per policy.
9. **Photos** of the vehicle must be submitted with the application clearly showing the front, back and both side views.

**Vehicles considered unacceptable for Business/Artisan Use include, but is not limited to:**

- Pickups, vans and utility vehicles with ANY business use mileage if the business use requires that type of vehicle to adequately carry out the Business/Artisan Use. Pickups, vans and utility vehicles must meet the Artisan Use Guidelines to be acceptable for business use. Exception: real estate agents without logo or advertising on the vehicle in the normal course of business.
- All vehicles used commercially including but not limited to:
  - a. All vehicles with logos or advertising whether permanent or removable.
  - b. All vehicles owned or leased by a partnership or corporation.
  - c. All Vehicles used in security or surveillance operations, to pick up goods, deliver property, livery, limousine or taxi service, including vehicles used to transport nursery or school children, migrant workers, hotel/motel guests, patients, members of a vanpool, or carry passengers for a fee.
  - d. All vehicles used for pick-up, retail or wholesale, delivery, including magazine, newspaper or mail delivery, pizza or other food delivery, courier/escort service, and farm produce delivery.
  - e. All vehicles owned by the named insured and used by more than one employee. Exception: Used by domestic employee.
  - f. All emergency vehicles.
  - g. All vehicles visiting 3 or more job sites per day.
- Any vehicle owned by a corporation or non-individual entity, except the following:

Acceptable if all of the following conditions are met:

  - a. The vehicle is ordinarily operated by the named insured or a resident relative for pleasure or commuting.
  - b. All operators are household members and listed on the policy.
  - c. No more than four such vehicles are owned or leased by the partnership or corporation.
  - d. Corporations or partnerships cannot be listed as a named insured, but may be listed as an "additional interest insured".
- Vehicles with a load capacity of one ton or greater or a gross vehicle weight rating (according to the manufacturer's specifications) greater than 12,000 pounds.
- Trailers used for business purposes.

## **CANCELLATION**

Backdated cancellations are not allowed for any reason.

1. **Agent Request Prorata**  
Requires written notification via facsimile or mail.
2. **Insured's Request. Prorata**
  - a) Policies may be cancelled by written notice to the Company and surrendering the policy to the Company, or a signed lost policy release form by the named insured.
  - b) If there is an SR22 filing in connection with the policy, a Secretary of State required 15 day notice will be given from the date the request is processed.
3. **Finance Company Request. Prorata.**
  - a) AFIC must receive a written notice from the finance company.
  - b) If there is an SR22 filing, mortgage, lienholder or other interested party in connection with the policy, required notice will be given from the date the request is processed.

4. **Non-pay Notice.** For Direct Bill, non-pay cancellations are based on the equity date.
5. **Flat Cancellations** require a copy of the front and back of NSF check. Flats will only be allowed on NSF's for new business. Reinstatements are not acceptable. Flats are not allowed when the policy includes an SR-22 as a Secretary of State required 15 day notice must be given.
6. **Duplicate Coverage Request.** Prorata.
  - a) Requires receipt of letter from the insured and a copy of the Dec page from the other carrier within the first 60 days of the policy period.
  - b) The new policy provides at least the same coverage as the Company policy.
  - c) The effective date of cancellation will be the day the other policy became effective.
7. **Underwriting Cancel.** Prorata.  
Can be reinstated with up to a 30 day lapse in coverage.  
Will be mailed giving the necessary notification period.
8. **Total Loss.** Prorata.  
In the event of a total loss, coverage continues until the insured sends an Insured's Request to Cancel.
9. **SR22.** If there is an SR22 filing in connection with the policy, required notice will be given from the date the request is processed.
10. **Waiver of Premium.** If a policy cancels with a balance due to either the insured or to the company, the company will waive both payment of balance due or collection of money owed if the amount is no greater than \$15. All refunds owed insured's will be paid, regardless of the amount, if requested by the insured.

### **REINSTATEMENT/REWRITTEN/RENEWAL**

The Company at its sole option may reinstate a policy and determine the effective date of the reinstatement. **Note, the policy coverage will not reinstate or be rewritten if the minimum installment amount due is not paid in full.**

1. For Direct Billed policies:
  - a.) If the insured mails payment within 30 days following the expiration/cancellation date, the policy will be bound at 12:01 a.m. the day following the postmark date.
  - b.) The effective date of renewal or reinstatement will be the day following the electronic submittal, facsimile or postmark date, unless payment has been received in the agent's office and the *Agency Record of Payment Received and Binder* form has been completed by the agent, and both have been forwarded to Company within 24 hours of receipt.
  - c.) The policy will renew, or be reinstated *with a lapse*, whenever payment is not postmarked prior to the effective date of cancellation.
2. Policies cancelled for non-payment of premium or finance company request may be reinstated up to six times during the policy period for a 12 month policy and up to four times during the policy period for a 6 month policy, subject to the following restrictions:
  - a.) Policy must be paid in full upon the 6<sup>th</sup> request for a 12 month policy and upon the 4<sup>th</sup> request for a 6 month policy.
  - b.) Acceptance and approval of American Freedom.
  - c.) Policies not acceptable for reinstatement, cannot be rewritten.
  - d.) Policies cancelled more than 30 days must be rewritten. Rewritten policies are subject to new business rules and rates currently in effect.
  - e.) If the policy is cancelled for finance company request, the finance company must request the reinstatement. Premium finance companies have no power to reinstate a policy. Acceptance of payment by a premium finance company places no obligation upon the Company to reinstate the policy.
  - f.) When a lapse in coverage has occurred, an inspection by a Company authorized body shop and/or photos may be required for reinstatement of Physical Damage coverage.

### **AUTO REWRITES**

To help you retain American Freedom customers, policies cancelled for nonpayment of premium may be rewritten at the Company's discretion with a lapse in coverage without submitting a new application, forms, etc.

If payment is received after the 30<sup>th</sup> day but within 45 days of the nonpayment cancellation date, the policy will be automatically rewritten. The payment MUST be equal to or greater than the balance owed on the cancelled policy plus the down payment, and fees required to rewrite the policy. The rewrite term will be effective the date and time payment is received. After 45 days, the policy is no longer eligible for rewrite. Rewrite is contingent upon payment clearing the financial institution. Payments returned unpaid will nullify any rewrite.

Renewal commission applies to all rewrites. Rewrite policies will retain the level of prior insurance from the cancelled policy. 6-month policies will be rewritten on the 6-Pay-18% installment plan. 12-month policies will be rewritten on the 12-Pay-9% installment plan. EFT pay plans are not available on rewrites.

### **ENDORSEMENT**

All requests must be uploaded electronically through our website or received in writing. Premium adjustments are based on the premium levels for the original policy. Commission on endorsements will be reflected on producer's statement each month. For direct bill policies additional down payments are required for endorsements with additional premium. Amounts should be requested and applied in our system to avoid cancellations.

1. For change in coverages, changes of vehicle, or to add vehicles you must include the vehicle identification number (VIN). Requests not showing the VIN will be returned to the producer without coverage changes.
2. There will be no premium adjustments due to point(s) or surcharge drop off or driver class changes (other than marital status) during a policy period.
3. For a driver exclusion:
  - a.) If driver is a member of the household, named driver exclusion is required.
  - b.) If driver is not a member of the household, the applicant's signature is required.

4. When a **driver or vehicle** is deleted, added, or amended, the driver-to-vehicle rating assignment will be revised to the highest rated vehicle to highest rated driver.
5. Rental and towing coverage can only be added at policy inception or when adding a vehicle.
6. When adding a vehicle including physical damage coverage or when adding physical damage coverage on an existing liability only vehicle, the vehicle must be inspected. The inspection report is to be submitted with the endorsement request unless a copy of a declaration page indicating a transfer of physical damage coverage with no lapse in coverage is provided. When deleting and adding a vehicle at the same time, an inspection report is not required.
7. On endorsements generating an increase of premium, a 25% additional premium payment may be required and automatically generated on Direct Bill policies.

## **RENEWAL**

1. A renewal offer is available on the Company system prior to the expiration date of the policy.
2. A renewal notice is sent to the insured in accordance with insurance statutes.
3. The renewal discount will apply if the policy is renewed within 45 days of the expiration of the policy.
4. Policies expired more than 45 days will require a new business application. The new business policy is subject to the rules and rates that are currently in effect.
5. A lapse in coverage will occur if the renewal request is received after the renewal date.
6. A direct bill renewal request is not acceptable and the renewal policy will not become effective if the Minimum Downpayment Due is not paid in full.

## **FINANCIAL RESPONSIBILITY FILING (SR22)**

### **AMERICAN FREEDOM ELECTRONICALLY FILES SR-22'S WITH THE SECRETARY OF STATE DAILY AND NO COMPANY GETS THEIR SR-22'S INPUT AND UPDATED TO THE SECRETARY OF STATE FASTER THAN AMERICAN FREEDOM.**

1. American Freedom will issue an SR-22 on an Illinois policy that is otherwise acceptable for Illinois resident operators only. SR22's are not acceptable for states other than Illinois.
2. SR22 Filings are not surcharged; however, AFIC charges points for the reason/violation behind the filing within the previous 36 months.
3. Filings are issued in conjunction with a twelve-month policy. Six-month policies can be endorsed with an SR22 and will renew for a twelve-month term.
4. See Payment Plans chart for applicable downpay for SR-22 filings on direct bill policies.
5. Drivers requiring a filing in multiple states are not eligible.
6. Must have an Illinois Driver's license, TVDL, or **Created Record number**.

## **NON OWNER'S POLICY**

1. Named non-owner policies are acceptable for individuals who do not own a vehicle and who do not have regular or frequent access to a vehicle.
2. Applies to a non-owned vehicle used by the named Insured.
3. Only the named Insured is allowed on the policy. There is no coverage for a spouse or any other individual.
4. Available only when the insured, relatives in the household and members of the household do not own a vehicle.
5. Coverages available are BI, PD, Medical Payments, and UM/UIM.
6. The rating territory will be determined by the residence of the named Insured.
7. Towing, Rental Reimbursement, Uninsured Motorist Property Damage (UMPD) and Physical Damage cannot be written on a non-owners policy.
8. SR22's are available
9. Coverage is excess other valid insurance.
10. Not available with higher limits

## **ACCEPTABILITY CRITERIA**

### **PRIOR APPROVAL REQUIRED**

Please contact customer service for PRIOR APPROVAL on the following risks:

1. Any vehicle 1989 and prior for physical damage coverage or 1980 and prior for liability coverage. Pictures must be provided.
2. Any risk where a rated operator has four or more violations.
3. Any risk where a rated operator has 10 or more points.
4. Foreign exchange students or foreign business trainees.
5. Any physically or mentally impaired individual.

### **UNACCEPTABLE RISKS**

1. Migratory risks, temporary or part-time residents, or any person not living in Illinois at least 10 months of the year.
2. Military personnel without a valid Illinois driver's license.
3. SR22 Financial Responsibility filing outside Illinois.
4. Policies cancelled or non-renewed for underwriting reasons will not be reinstated.
5. Mature operators 70 years of age and over must have a clean driving record for the last 3 years and the following applies:
  - a) Operators through age 74 are acceptable for new and renewal business with a current medical statement.
  - b) Operators 75 and over are acceptable for renewals only. Must be violation free for previous 6 months.
6. Musician, bartender, taxi driver, professional entertainer, athlete, police officer or any locally or nationally well-known person.
7. Unacceptable risks will be charged 500% of BI, PD, Comp, & Coll premium from the inception date of coverage for the unacceptable risk. If time constraints do not permit a non-renewal, the 500% will also be charged on the renewal and the renewal discount will not apply.
8. Foreign exchange students, foreign business trainees or foreign residents of any kind in the U.S. for less than one year.
9. Any driver convicted of insurance fraud.
10. Any driver who has had a policy cancelled or non-renewed by American Freedom; or any insurance company for fraud or misrepresentation.



11. Increased liability limits above 25/50 BI, 25 PD, 25/50 UM.
12. Operators who have been treated for any physical or mental condition that might affect the drivers' ability to operate a motor vehicle safely and who are unable to provide a satisfactory doctor's report (medical authorization) within 30 days of policy's effective date.
13. Three or more vehicles with one operator.
14. Any risk where a rated operator has 21 or more points.
15. Any risk where a driver has 2 or more accidents within the past 12 months.
16. Policies with named driver exclusions when there is a sole named insured.

## **UNACCEPTABLE VEHICLES**

There are 3 categories for Unacceptable Vehicles and there can be overlap. All risks below are unacceptable regardless of grouping.

### **Based on Usage**

1. Used for courier, escort, emergency, delivery, messenger, livery, limousine, hire or taxi service, including vehicles used to transport nursery or school children, migrant workers, or hotel/motel guest, parishioners, patients, etc.
2. All vehicles used for business and not qualifying and rated for Business/Artisan Use, including all vehicles displaying any advertising or logos whether permanent or removable.
3. Any vehicle regularly available to non residents or to individuals not listed on the application or policy.
4. Used for racing and high performance vehicles such as Lamborghini, Ferrari, Viper, etc
5. Used for any commercial purpose or delivery use, including **self-employed** tradesman using vehicle for business, e.g. painter, handyman, plumber, carpenter, roofer, electrician, etc.
6. Any vehicle used in conjunction with any rideshare applications or Transportation Network Companies (TNC). Examples of these include, but are not limited to, **Uber, Lyft, and Sidecar**.

### **Based on Owned, Operated**

1. "CV" or municipal plate.
2. Garaged away from the policy address for more than two months or a substantial part of the time, i.e. risks driving extensively out of Illinois, including students garaging a policy vehicle at an out of state location.
3. Ownership, maintenance, or use in or while in practice or preparation for an organized racing or demolition contest or in any stunting activity.
4. Owned by a quasi-government or a house of worship.
5. Rented, loaned, leased or otherwise provided to another on a regular basis.
6. Any vehicle not owned or co-owned by the applicant (no insurable interest) or not titled or leased to the named insured or listed driver.
7. Registered, titled, or leased in a company's name, or other than the individual's name. Long-term leased vehicles of a minimum of twelve months that are in an individual's name are **acceptable**.
8. Vehicles titled as salvage, prior salvage, rebuilt, unrebuildable or in an unsafe mechanical condition.

### **Based on Type**

1. Physical damage coverage for vehicles with a value in excess of \$40,000 or 1989 and prior (except with prior approval)
2. All vehicles with an ISO rating symbol of 39 and higher on model years 2011 and newer and 20 or higher for model years 2010 and prior and meets underwriting guidelines.
3. Any vehicle in excess of 1,500 pounds load capacity or with a gross vehicle weight greater than 12,000 pounds, including 350 and 3500 series trucks and large vans in the 350 and 3500 series.
4. Physical damage is excluded under policy provisions on trucks, vans equipped as RV's or campers, van conversions, or vehicles with special paint jobs or customized equipment. Except as provided for on the Conversion Van and Special Equipment coverages, only the base vehicle is covered.
5. Amphibious vehicles, dune buggies, fully electric vehicle, motorcycles, scooters, motor homes, travel trailers, kit cars, or any vehicle not registered for street use.
6. Classified as an antique or collector's item, or with an aluminum, stainless steel, or fiberglass body.
7. Jaguars 1997 and prior, all Corvettes and all Fieros are acceptable for liability coverage only.
8. All "gray market" vehicles including those manufactured overseas that are not built to U. S. pollution and safety requirements and all vehicles manufactured in China.
9. Raised or lowered suspension.
10. More or less than four wheels, including "Dually" pickup truck.
11. Any motorized land conveyance not subject to motor vehicle registration.
12. Commercial vehicle types such as Step Vans, modified bed, dump truck, Panel Vans, and Flat Bed trucks.
13. Commercial vehicles with vin#'s not available in the American Freedom system.
14. Cargo Vans not converted to a Conversion Van.
15. Police Interceptor vehicles.
16. Vehicles with a seating capacity greater than 9.
17. Vehicles with ramp based modifications, platform lifts, crane type lifts, and driver seat modifications

## **RATING**

### **RULES**

1. Assign the driver developing the highest total premium to the highest rated vehicle. Assign the driver developing the second highest total premium to the second highest rated vehicle. Continue to assign drivers until each vehicle has been assigned a driver or until there are no more drivers to assign.
2. For risks where there are more drivers than vehicles, there is no charge for those extra drivers or their points after all higher rated drivers have been assigned to vehicles.
3. When the Company becomes aware of information that would have resulted in a higher premium, then the policy will, at the Company's option, be declared null and void and premiums paid will be returned or the policy will be endorsed with the correct information and the named Insured may be liable for a substantial additional surcharge.  
Please refer to the policy contract for a complete definition.
4. Out of state relocations must be reported to the Company within 30 days. Policyholders moving out of Illinois will be charged 300% of the Territory 26 rate for BI, PD, Comp & Coll.

## **DRIVERS**

1. Drivers include all persons age 16 or over, 15 year old operators with a permit (no points will be charged for the learner's permit, but there must be a licensed driver listed on the application), individuals residing with applicant, and any other operators who do not live in the household. All drivers must be either rated for, excluded with a signed American Freedom Exclusion Form, or covered under an alternate policy, proof of which (Dec Page, Renewal Offer, or dated ID card) must be attached to the application.
2. All individuals over the age of **14** either residing with the applicant or that drive the insured(s) vehicles must be disclosed on the application.
3. Single persons are any person not legally married under the laws of the state of Illinois. For married operators, the spouse must be listed on the policy, excluded in writing or a copy of the declarations page of other insurance provided to the Company.
4. Under Public Act 96-1513, the Religious Freedom Protection and Civil Union Act, Civil union couples will be treated identically as married couples. Agents may select the "Married" on Marital Status for civil union couples beginning June 1, 2011.
5. A driver's age, sex and marital status are used to assign a driver class factor. The age used will be the age attained at the time of the driver's last birthday prior to policy inception. If a driver is age 24 or younger and has a birthday within 30 days of policy inception, the higher age will be used as the driver age.

## **DRIVING RECORD**

1. Driving record points are applicable to Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages.
2. For renewals only **at-fault** losses result in the addition of points.
3. FR filings specifically do not develop points, however, points are charged for the reason causing the filing.
4. Chargeable period is the 35 months prior to the policy inception. To determine if the accident or violation took place in the chargeable period, use the occurrence date instead of the conviction date. All accidents and violations for which an operator is cited will be charged, even if generated from the same event. We will charge for all accidents and violations occurring while a driver is operating a private passenger auto, commercial vehicle, motorcycle or recreational vehicle. For rating purposes, only the points for the operator(s) developing the highest total premium and rated to a vehicle are considered.
5. The total driving record points submitted by producer will be used unless MVR indicates additional point charges are appropriate.
6. Should a risk be submitted as unverifiable and it is determined that the risk has a verifiable license and a higher premium applies due to accidents, violations, etc., at the Company's option, the policy may be declared null and void or a violation charge will apply.
7. Drivers with an extraordinary driving record or with twenty-one or more points are not acceptable.
8. Drivers with 2 or more accidents within the past 12 months are not acceptable.

## **ACCIDENTS**

Points are automatically computed by the rater. All accidents are chargeable for new business, even if incurred while on business, or were determined not at fault.

## **DETERMINING POINT ASSIGNMENTS**

VIOLATION GROUP	POINTS PER OCCURRENCE	
	FIRST	EACH ADD'L
At-Fault Accidents	3	5
Alcohol/Drug Related	2	6
Major Violations	4	6
Minor Violations	1	1
Not-At-Fault Accidents	1	1
No Charge	0	0
Out-Of-State License	2	N/A
Speeding	1	1

## **LICENSE STATUS**

1. MEXICAN, FOREIGN OR INTERNATIONAL DRIVER'S LICENSE - Indicate when any operator does not possess a U.S. license, but does possess a valid Mexican, Foreign, or International license. A copy of the Mexican license may be required.
2. UNVERIFIABLE DRIVING RECORD OR NO LICENSE - Applicable for any operator whose driving record cannot be verified by a state's Bureau of Motor Vehicles, including No License.
3. CANCELLED, EXPIRED, REVOKED, SUSPENDED LICENSE - Are acceptable, but are charged a higher premium factor. The additional charge will be removed prorate when a current, active license can be verified.
4. LEARNER'S PERMIT - Is acceptable, charged a higher premium, and a licensed driver is required on the policy.
5. TEMPORARY VISITOR DRIVER'S LICENSE (TVDL) - Is acceptable, and is issued to both non-citizens of the United States who have been granted temporary, legal entry into this country and undocumented immigrants.

## **TERM**

Six month, annual term and short term policies of at least 14 days are available. Term policies for other than 6 or 12 months may only be written on new business and will be written at a prorated premium for new business only. On Direct Bill policies, all policies 3 months or less must be paid in full. All policies 4 to 6 months must be paid in full or require 50% down and one installment. Policies periods over 12 months are unacceptable.

## **TERRITORY**

If mailing address is a P.O. Box, the principal garaging address for each vehicle must be disclosed. In order for the Multi-Car Discount to apply to a vehicle, at least one other vehicle must be garaged at the same location. If a vehicle is listed on the policy and does not have the same garaging address as another vehicle on the policy, then the Multi-Car Discount does not apply to that vehicle.

# COVERAGE

COVERAGES	LIMITS/ DEDUCTIBLES	SPECIFICS
BI/PD	25/50/20 25/50/25	<ul style="list-style-type: none"> <li>All drivers must have a valid license or be excluded when limits above the minimum 25/50/20 are requested</li> <li>If liability coverage is listed on one vehicle on a policy, then all vehicles must have the same liability limits.</li> </ul>
MP	\$500 \$1,000 \$2,000 \$5,000	<ul style="list-style-type: none"> <li>Medical Payment coverage is available on all risks including Bodily Injury coverage</li> <li>The availability and benefits of Medical Payments coverage should be explained to all applicants</li> <li>This coverage is not required and can only be written concurrently with bodily injury and property damage coverage</li> <li>Coverage must be provided on each vehicle of a multi-car risk at the same limit or it must be rejected for all vehicles</li> </ul>
UMBI/UIMBI	25/50	<ul style="list-style-type: none"> <li>Uninsured/Underinsured Motorist Coverage must be written with BI/PD coverages</li> <li>All policies insuring against loss resulting from liability for bodily injury will be offered Uninsured Motorist and Underinsured Motorist coverage</li> <li>All drivers must have a valid license or be excluded when limits above the minimum 25/50 are requested</li> </ul>
UMPD	\$15,000 w/\$250 Ded,	<ul style="list-style-type: none"> <li>The Company will pay for damages to the insured's auto caused by actual physical contact with a known Uninsured Motorist/owner</li> <li>The charge for this coverage is \$50 per vehicle for an annual policy and is subject to discounts or surcharges</li> <li>Not available on a vehicle with physical damage coverage</li> </ul>
Comprehensive & Collision	\$250 \$500 \$750 \$1,000	<ul style="list-style-type: none"> <li>Optional deductibles are available and the deductible need not be the same for each vehicle or for both Comprehensive and Collision</li> <li>Deductibles cannot be lowered during the policy period, only upon renewal.</li> <li>Vehicles with current values between \$1,001 and \$40,000 are acceptable. Vehicles valued at more than \$40,000 may be reduced to the \$40,000 acceptable level by <b>attaching a signed and dated statement</b> from the applicant that the reduced value is acceptable.</li> <li>Collision is not sold without Comprehensive coverage.</li> <li>Physical Damage only policies are acceptable at the published rates.</li> <li><b>POPULAR RATING (VALUE)</b> Vehicle Value Determination               <ol style="list-style-type: none"> <li>Retail Value as shown in the National Market Report Red Book or amount provided by insured's agent on the application, whichever is higher. If there is more than one model choice listed in the Red Book for a vehicle identification number, and no value is listed on the application that matches the Red Book or no model is indicated, Underwriting will use the highest value when determining the value.</li> <li>Market Value – vehicles listed as Market Value "M/V" in the Red Book are acceptable subject to the following rules and procedures.                   <ol style="list-style-type: none"> <li>Determine the Red Book value of the exact make and model vehicle for the most current model year available.</li> <li>Depreciate 12% per year (multiply by .88) for up to 3 years,</li> <li>With a maximum value of \$15,000</li> </ol> </li> <li>Bill of Sale, "BOS".                   <ol style="list-style-type: none"> <li>Use the BOS if vehicle is not listed in the Red Book. New model year vehicles not appearing in the Red Book must have a BOS to determine value.</li> <li>Any current model year vehicle purchased from a licensed car dealership within 60 days of the effective date of the policy or endorsement must be valued at retail price as indicated on the BOS, regardless of the Red Book value.</li> <li>To determine the vehicle's value by BOS, we must receive the BOS before the policy or endorsement effective date</li> <li>We will accept a BOS valuing a vehicle at more than 30% above or below Red Book only with prior approval. Failure to obtain approval will result in valuation 30% above or below Red Book.</li> <li>At renewal. We will use the higher of the Red Book value or 12% depreciation from previous value.</li> </ol> </li> <li>National Market Report Red Book Suggested Retail Price (SRP)</li> </ol> </li> <li><b>DYNAMIC RATING (SYMBOL)</b> Rating is based on the symbol assigned to each vehicle.               <ol style="list-style-type: none"> <li>Call for acceptability on the following manufacturers: Austin, Daewoo, Hummer, Jaguar, Lancia, MG, Renault, Sterling, Triumph and other high performance, low production, discontinued or specialty vehicles.</li> </ol> </li> </ul>

		<p>• <b>LIMITED COMPREHENSIVE ENDORSEMENT</b>  In consideration for a discount to the comprehensive premium, the policy is amended so the definition of "Comprehensive" means only loss caused by fire, theft or breakage of glass, and the definition of "Theft" means the unlawful taking of the insured auto in its entirety during a single incident. Please ensure the named insured reads and understands this coverage reduction as outlined in the associated form</p> <p>a) Vehicles may carry <u>only Comprehensive</u> coverage as long as other vehicles on the same policy are written with BI/PD. A surcharge is automatically applied to Comprehensive</p> <p>b) Special Equipment is not covered unless the value has been reported to American Freedom prior to a loss and a premium has been paid for the Special Equipment Coverage as shown on the Declarations Page. See Special Equipment section</p>
Towing	\$35 \$50 \$75	<ul style="list-style-type: none"> <li>• Coverage can be written on vehicles with or without physical damage coverage</li> <li>• The coverage can only be written at policy inception, renewal or when a vehicle is added to the policy</li> <li>• Coverage is limited to two occurrences per policy term</li> <li>• If Towing Coverage is selected for one vehicle it must be selected for all vehicles</li> </ul>
Collision Rental	\$15/DAY up to 15 Days \$25/DAY up to 20 Days \$30/DAY up to 30 Days	<ul style="list-style-type: none"> <li>• Coverage can be written on vehicles with physical damage coverage.</li> <li>• The coverage can only be written at policy inception, renewal or when a vehicle is added to the policy.</li> <li>• Coverage is limited to two occurrences per policy term.</li> <li>• If Rental Reimbursement is selected for one vehicle it must be selected for all vehicles.</li> </ul>
Special Equipment	Special Equipment \$5,000/\$100 Deductible  Dealer or after-market customized vans \$2,500 Limit	<ul style="list-style-type: none"> <li>• Custom and Additional Equipment is not covered unless the value has been reported to American Freedom prior to a loss and a premium has been paid for the Custom and Additional Equipment Coverage as shown on the Declarations Page.</li> <li>• Vehicle must have Comprehensive and Collision Coverage in order to select Custom and Additional Equipment.</li> <li>• Custom and Additional Equipment must be listed on the application, endorsed onto the policy and a premium paid for coverage to apply.</li> <li>• Equipment options that are made available on a vehicle by the manufacturer, but are not a part of the basic option package, should be considered as Custom and Additional Equipment. Examples are CD and DVD players, high value stereos and pickup bed liners.</li> <li>• The following are <u>examples of acceptable Custom and Additional Equipment as long as they are installed by the manufacturer or dealer:</u> <ol style="list-style-type: none"> <li>1.) Special roofs and deluxe roof treatments.</li> <li>2.) Sound reproducing equipment, such as cassette players, CD and DVD players and amplifiers that are permanently installed.</li> <li>3.) CB radios that are permanently attached in or under the dashboard.</li> <li>4.) Car telephones that are permanently attached to the vehicle.</li> <li>5.) Custom paint work and deluxe exteriors.</li> <li>6.) Chrome, reverse chrome, alloy or magnesium wheels and wheel covers, aluminum wheels and wire spoke wheels.</li> <li>7.) Recaro or leather seats.</li> <li>8.) Camper tops and utility trailers that do not have sinks or bathroom facilities.</li> <li>9.) Safety alarm or anti-theft devices. There is no additional premium charge for safety devices qualifying for the Anti-Theft Discount.</li> </ol> </li> <li>• The following are <u>examples of unacceptable Custom and Additional Equipment:</u> <ol style="list-style-type: none"> <li>1.) Television sets, DVD players, VCRs, other video equipment, or radar detection equipment.</li> <li>2.) Additional equipment not permanently installed in the vehicle.</li> <li>3.) Vehicles with sinks, bathrooms or toilet facilities.</li> <li>4.) Custom murals, nose bras and insect shields.</li> <li>5.) Equipment in an unlocked or open vehicle is not covered.</li> <li>6.) Equipment for which an appropriate value cannot be determined or verified.</li> <li>7.) Home stereos and other home high-fidelity equipment not primarily designed for vehicle use.</li> <li>8.) Enclosed trailers.</li> </ol> </li> <li>• Custom and Additional Equipment cannot exceed \$5,000 in value.</li> <li>• <u>SPECIAL RULES FOR PICKUPS, VANS AND UTILITY VEHICLES</u> – Include the load capacity (1/2 or ¾ ton) and use of pickups, vans and utility vehicles on the application. Describe any trim packages, customization and special equipment when physical damage coverage is chosen. Dealer or after-market customized vans are acceptable as long as Custom and Additional Equipment is listed on the Declarations Page, a premium is paid and the value does not exceed \$2,500. Examples of dealer or after market customization are: special carpeting and insulation, furniture or bars, sleeping facilities, or height extending roofs.</li> </ul>

<p>Limited Conversion Van Coverage</p>	<p>Limited Conversion Van \$2,500/\$250 Deductible</p>	<ul style="list-style-type: none"> <li>• Conversion vans are vans that have been modified to include such items as special paint, running boards, captain chairs, and custom windows.</li> <li>• Vans equipped with cooking and bathroom facilities are unacceptable in this program.</li> <li>• Conversion vans may be submitted to American Freedom on an Illinois application, <b>but must be accompanied by the Limited Coverage Conversion Van Endorsement which becomes a part of the policy.</b></li> <li>• The following information must be included when insuring a Conversion Van:             <ol style="list-style-type: none"> <li>1.) Base van VIN number</li> <li>2.) Conversion Company's make and model</li> <li>3.) Checkmark all options that are part of the Conversion company's package</li> <li>4.) Photocopy of pictures of both the inside and outside of the van (<b>please mail the originals</b>)</li> <li>5.) Signature of the insured and producer</li> <li>6.) Bill of Sale when available</li> </ol> </li> <li>• All vans must be inspected including those with a bill of sale. Without a completed Limited Conversion Van Endorsement and photos, we will rate the van as a base van and no conversion equipment will be covered. This may substantially reduce settlement value in the event of a claim.</li> </ul> <p><b>CALCULATING A RATE</b>—Available only on the American Freedom system, not available on comparative raters.          THE CONVERSION VAN RISK MUST BE FOR FULL COVERAGE. A REQUEST FOR A PHYSICAL DAMAGE ONLY POLICY IS NOT ACCEPTABLE ON A CONVERSION VAN.</p> <p>A.      Liability                    All of the underwriting criteria apply.</p> <p>B.      Physical Damage                    Determine Value                    1) Checkmark all items included in van on the "Limited Coverage Conversion Van Endorsement" form.                    2) Total all items in the "Cumulative Total From ← Column".                    3) Maximum insurable amount is \$2,500 for van and equipment.                    4) All of the underwriting criteria applies except the physical damage discount or surcharge list.</p> <p><b>COVERAGE</b>          This is a limited conversion van coverage with a total maximum limit of liability for loss to each insured item as specified on the Limited Conversion Van Endorsement. In addition, there is a maximum limit of liability for covered conversion van equipment losses of \$2,500. For all losses there is a \$250 deductible to the equipment, separate from a deductible applicable to the base van. <b>Please completely explain the coverage to all applicants.</b></p>
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# DIRECT BILL PAYMENT PLANS

## SIX MONTH PAY OPTIONS

Plan	Down Pay	Number of Installments	Due Dates (from inception)	Installment Amount	Restrictions
Paid in Full	100%	0	-	-	None, Term <3 months
2-Pay	50%	1	75	50%	None, Term 3-6 months
3-Pay	40%	2	45, 105	30%	None
4-Pay	25%	3	Every 30 days	25%	None
5-Pay-30	30%	4	Every 30 days	17.50%	None
5-Pay-25	25%	4	Every 30 days	18.75%	None
5-Pay-20	20%	4	Every 30 days	20%	None
6-Pay 22	22%	5	Every 30 days	15.60%	None
6-Pay-18	18%	5	21, Every 30 days	16.40%	None
6-Pay-EFT	16.67%	5	Every 30 days	16.67%	EFT ONLY

## TWELVE MONTH PAY OPTIONS

Plan	Down Pay	Number of Installments	Due Dates (from inception)	Installment Amount	Restrictions
Paid in Full	100%	0	-	-	None
2-Pay	50%	1	160	50%	None
4-Pay	25%	3	75, Every 90 Days	25%	None
11-Pay-12	12.33%	10	Every 30 days	8.77%	None
11-Pay-11	11%	10	Every 30 days	8.90%	None
12-Pay-11	11%	11	Every 30 days	8.09%	None
12-Pay-9	9%	11	21, Every 30 days	8.27%	N/A for SR-22
12-Pay-EFT	8.33%	11	Every 30 days	8.33%	N/A for SR-22, EFT ONLY

## PAYMENT GUIDELINES

1. A discount applies to policies set up for Insured EFT.
2. Additional money provided with the down payment will be applied to the future installments.
3. Insured's may make installment and renewal down payments on-line at [www.americanfreedomins.com](http://www.americanfreedomins.com) by using a debit or credit card, or by calling a customer service representative at 847-758-9300. American Freedom accepts Visa and MasterCard.
4. Insured's may make installment and renewal down payments using a credit card debit card or electronic check by phone using our interactive voice response system (IVR) 24/7 by calling 1-866-363-8768.
5. The insured can pay any amount from the minimum amount due to the total remaining balance. The policy coverage will not continue in force or will not be reinstated if the Minimum Installment Due Amount is not paid in full.
6. Endorsements that create an additional premium require a 25% down payment of the pro-rata premium. This is done to mitigate the possible impact, including cancellation, of a substantial additional premium.
7. The completed application must be signed by both the agent and the applicant. If a down payment does not accompany the application, company will notify the producer and the application is null and void.

FEE	AMOUNT	SPECIFICS
BILLING (EFT)	\$5	• Applies to each EFT installment.
BILLING (EFT- Credit Card)	\$9	• Applies to each EFT installment made by a credit/debit card.
BILLING (NON EFT)	\$11	• Applies to each non EFT installment, and is applicable when the bill generates.
LATE	\$10	• Payments received after the due date will be assessed.
NSF (AGENT)	\$25	• Any agent whose account does not contain sufficient funds for us to sweep the correct insured premium amounts or submits an agency check that is non-collectible.
NSF (INSURED)	\$25	• Any insured payment that is non-collectible.
PHONE PROCESSING	\$5	• Processing fee will be assessed for payments made over the phone to a person at American Freedom Customer Services. There is no charge when using the automated Interactive Voice Response (IVR) system.

## NEW BUSINESS DOWN PAY OPTIONS and INSTALLMENT OPTIONS

Insured E-Check  
 Debit/Credit Card  
 Agent EFT  
     Cash paid to Agent  
     Personal Check  
     Money Order  
 Interactive Voice Response (IVR). Not available on New Business down payment

## RENEWAL DOWN PAY and INSTALLMENT OPTIONS

Insured Personal Check  
 Insured EFT  
 Debit/Credit Card  
 Agent EFT  
 Cash paid to Agent  
 Personal Check  
 Money Order  
 Web Payment  
 Interactive Voice Response (IVR)



Payments can be swept from either the producer or consumer's bank account or can be made by consumer debit/credit card either on-line or by accessing the IVR system. This feature is available 24 hours a day, 7 days a week.