

RISK ELIGIBILITY

All professional truck owners operating and domiciled within eleven Western states and satisfying other standards as outlined here.

This program is designed to offer competitive rates to the preferred risk.

- A. The American Highway Carriers Association (AHCA) program is designed to cover professional truckmen and private haulers who have demonstrated the ability to operate their vehicles in a safe manner. Only members in good standing of AHCA will be considered for protection under this program.

- B. This program is intended to cover trucking operations hauling general dry freight, agricultural products, dump truck commodities, building materials, bulk commodities, heavy equipment, steel, lumber, refrigerated freight, etc.

- C. This program is not designed for and will not include the transportation of LPG, gasoline, explosives, or other known hazardous commodities. (See the program exclusions for a complete listing of unacceptable commodities/operations.)

- D. This program is designed for truckmen who have two (2) or more years in business. (Years in business refers to the length of time the insured has been operating under their own authority, or has carried their own primary liability coverage.) If, in the opinion of the underwriter, special circumstances justify placing a risk with less than two (2) years into the program, then it must be submitted and personally approved by the V.P. of Underwriting. Examples of special circumstances include, but are not limited to:
 - 1. A driver has worked for a fleet for five years, the fleet owner sells him the vehicle he's been driving and the driver will now be sub-hauling for that fleet.
 - 2. A driver has five years driving experience and decides to go into business on their own. Such things as like-equipment, like-radius and like-commodity experience will be taken into consideration.

- E. This program is not designed for, nor does it intend to cover, risks whose hired auto exposure generates more than 40% of its total gross revenues.

- F. The Company utilizes the services of Carriers Safety Consultants to obtain high quality inspections and pre-inspections on each insured's operation. The safety consultants personally interview each insured regarding the general operations, past experience, maintenance procedures and background of the risk, etc.

- G. Any insured which does not pass the inspection within 45 days of the date the inspection was requested, or any insured who fails to comply with a written recommendation, will be removed from the program. (Inspections on risks in outlying areas may be held until there are a sufficient number to warrant a special trip by a safety consultant.)

- H. The underwriter may waive the need for an inspection report up to a maximum of four (4) years for a loss-free renewing policy if the insured's equipment and operations have not changed.

PROGRAM EXCLUSIONS

“Truckmen” shall mean those who haul goods, materials, or commodities for others for hire, and include those who haul their own products; and shall not include operations involved with the following:

1. Alcohol in bulk (cased goods, acceptable)
2. Caustic or corrosive chemicals, flammable or combustible liquids or gases, or any other commodity defined as “hazardous material” by the Department of Transportation, petroleum products or by-products. (Exception: Hauling of dirt contaminated with petroleum oil or gas if incidental (5% or less) to operation.)
3. Poisonous or radioactive material
4. Logging, swinging meat
5. Hazardous waste material
6. Tow trucks, auto dismantlers, junk or scrap haulers, rag dealers, newspaper delivery, house movers, building wreckers, ash removal, tree trimmers, garbage or trash removal, armored vehicles.
7. Buses or other public or private liveries
8. Rolling stores or catering trucks
9. Carnival or circuses, amusement devices
10. Emergency vehicles
11. Florists
12. Ice cream or fast food delivery
13. Drive-away, u-drive or haul-away vehicles
14. Vehicles engaging in transporting and/or distributing fireworks, fuses, nitroglycerine, explosives, ammunitions, ammonium nitrate.
15. Courier services

16. Truck brokers
17. Concrete mix in transit barrels (physical damage).
18. Scrap, salvage or junk (does not include demolition material common to the dump truck industry). This exclusion is to prevent the writing of crushed cars, junk metal salvage, etc., e.g., a risk hauling bailed scrap paper would be an acceptable risk.
19. Short-term rental, leasing, or U-Drive operation.
20. Operations involving cranes, booms, etc.

VEHICLE ELIGIBILITY

- A. All power units of 20 years of age or older to be scheduled on the policy must obtain a satisfactory vehicle condition report prior to binding.
- B. Each vehicle is individually inspected and a condition report is completed, which also includes photographs of the vehicle and becomes part of the underwriting file.

(Note: On multiple unit risks, the inspector will only inspect the vehicles that are present at the time of inspection, as long as this represents the majority of vehicles to be covered under the policy.)

- C. Any vehicle which does not pass the condition report within 45 days of the date the inspection was requested, or any insured who fails to comply with a written recommendation within 30 days from the date the recommendation was written, will be removed from the program.

DRIVER ELIGIBILITY

- A. All drivers will be individually evaluated based on their own qualifications.
- B. All drivers are expected to obtain a driver's license for their state of residence. New residents must secure a valid license within 60 days.
- C. A current motor vehicle report (MVR) will be required for every driver covered in the program. (Current is defined as not older than 30 days on a new risk to the program, and not older than 90 days on a renewal.) Those drivers who do not meet the underwriting requirements of the program will be eliminated from participation.
- D. Motor vehicle reports must be ordered for new drivers and meet the underwriting requirements of the program, prior to their employment.
- E. If the named insured is not a driver, his/her record must be such that the underwriter would not have refused to insure him/her for reasons other than lack of sufficient license.
- F. If any of the following circumstances appear, the driver will not be acceptable in this program:
 - 1. Any driver with three (3) accidents within 36 months, regardless of fault. Windshield claims will not be counted as accidents for the purpose of this rule.
 - 2. Any driver with a conviction for hit-and-run, eluding police, felony with a motor vehicle, negligent homicide.
 - 3. Any new driver with a conviction for driving under the influence of alcohol or drugs, speed contest, reckless driving or exhibition speed contest within the past 36 months or any two such convictions within 60 months. (New driver is defined as a new risk to the program or a newly hired driver.)
 - 4. Any driver with a conviction for filing a false report of theft (CAL 10501) or a conviction for felony auto theft (CAL 0851).
 - 5. Any driver with more than three (3) speeding convictions in the past 24 months.

6. Any driver with less than two (2) years of commercial driving experience with like-equipment.
7. Any driver not appropriately licensed.
8. Any driver under the age of 21.
9. Any new driver who has had their license suspended or revoked during the past 36 months.
- 10 Any driver known to have physical or mental impairments which might interfere with driving safety (according to DOT guidelines).
11. Any driver who has accumulated more than 6.5 points in the last 36 months.
12. Any new driver who has accumulated 5.5 or more points in the last 36 months. (New driver is defined as a new risk to the program or a newly hired driver.)
13. Any driver with a history of continued alcohol or drug abuse, filing of a false police report, or conviction of presenting a fraudulent insurance claim.

POINT DEFINITION

The review of the MVR will be based on the driver's commercial driving record for the past three (3) years. However, the underwriter will look at their total driving record and regard it as a reflection of their driving habits. (If the driver's private passenger record is one that would not, by state definition, qualify them for a good driver discount, then the underwriter will look at their total driving record to determine acceptability.)

The scoring of points will be based on the driver's commercial driving record for the past three years. Citations will be counted as of the date of conviction. Any citations shown on the MVR at the time of binding that have a blank conviction date, where the rating classification would be affected if the citation should later become a conviction, will be "pointed" as if the citation is a conviction.

Convictions and accidents will be "pointed" as follows:

A. Moving Convictions..... 1

Fourth Moving Conviction 2

B. Following Too Close..... 1

Any driver with two or more such convictions should be considered a marginal risk. Details involving such convictions will be required prior to quoting.

C. First Chargeable Accident 1

An accident is considered chargeable if it results in a paid or reserved loss in excess of \$350 and does not involve an uninsured motorist claim. To qualify as a non-chargeable accident, a claims report or police report showing the accident was not at fault is needed.

D. Second Chargeable Accident 3

E. Brake Convictions 1/2

F. Equipment/Safety/FTA Convictions in Excess of Two 1/2

Equipment/safety convictions defined as all other convictions on the motor vehicle report (MVR) for equipment or safety, such as load spill, faulty lights, etc.

G. Underage Drivers 1

One (1) point shall be charged for each year under 25 years of age. (e.g., Age 23 = 2 points)

H. Major Convictions received in the past three-year period in any motor vehicle 6

Major Convictions defined as: reckless driving, drunk driving, common drunk, influence of drugs or glue, drinking in a motor vehicle, open container, driving while intoxicated, presumption of any other drinking conviction, and exhibition of speed.

I. Nonmoving Convictions (drivers license, financial responsibility, registration, seat belts, child restraints)..... 0

Note: All convictions will be counted in the event that a driver receives more than one conviction for that date. (i.e., a speeding conviction, regulations conviction, and an FTA would all receive their appropriate points.)