Filing at a Glance

Company: 18325 - Southern Farm Bureau Casualty Insurance Company

Product Name: Personal Auto	SERFF Tr Num: ARKS-125521208	State: Arkansas
TOI: 19.0 Personal Auto	SERFF Status: Closed	State Tr Num: #502003 $25
Sub-TOI: 19.0001 Private Passenger Auto (PPA)	Co Tr Num:	State Status: Fees verified and received
Filing Type: Rule	Co Status:	Reviewer(s): Alexa Grissom, Betty Montesi, Brittany Yielding
	Author:	Disposition Date: 03/20/2008
	Date Submitted: 03/04/2008	Disposition Status: Filed
Effective Date Requested (New):		Effective Date (New): 04/01/2008
Effective Date Requested (Renewal):		Effective Date (Renewal):

State Filing Description:

General Information

Project Name:	Status of Filing in Domicile:
Project Number:	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 03/20/2008	
State Status Changed: 03/06/2008	Deemer Date:
Corresponding Filing Tracking Number:	

Filing Description:

Company and Contact

Filing Contact Information

NA NA,	NA@NA.com
NA	(123) 555-4567 [Phone]

NA, AR 00000

Filing Company Information

18325 - Southern Farm Bureau Casualty Insurance Company	CoCode: 18325	State of Domicile: Arkansas
No Address	Group Code:	Company Type:
City, AR 99999	Group Name:	State ID Number:
(999) 999-9999 ext. [Phone]	FEIN Number: 99-9999999	

Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	
Per Company:	No

SERFF Tracking Number:	*ARKS-125521208*	*State:*	*Arkansas*
Filing Company:	*18325 - Southern Farm Bureau Casualty Insurance Company*	*State Tracking Number:*	*#502003 $25*
Company Tracking Number:			
TOI:	*19.0 Personal Auto*	*Sub-TOI:*	*19.0001 Private Passenger Auto (PPA)*
Product Name:	*Personal Auto*		
Project Name/Number:	*/*		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Alexa Grissom	03/20/2008	03/20/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	**Created By**	**Created On**	**Date Submitted**	**Responded By**	**Created On**	**Date Submitted**
Pending Industry Response	Alexa Grissom	03/06/2008				

SERFF Tracking Number:	*ARKS-125521208*	*State:*	*Arkansas*
Filing Company:	*18325 - Southern Farm Bureau Casualty Insurance Company*	*State Tracking Number:*	*#502003 $25*
Company Tracking Number:			
TOI:	*19.0 Personal Auto*	*Sub-TOI:*	*19.0001 Private Passenger Auto (PPA)*
Product Name:	*Personal Auto*		
Project Name/Number:	*/*		

Disposition

Disposition Date: 03/20/2008
Effective Date (New): 04/01/2008
Effective Date (Renewal):
Status: Filed
Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number:	*ARKS-125521208*	*State:*	*Arkansas*
Filing Company:	*18325 - Southern Farm Bureau Casualty Insurance Company*	*State Tracking Number:*	*#502003 $25*
Company Tracking Number:			
TOI:	*19.0 Personal Auto*	*Sub-TOI:*	*19.0001 Private Passenger Auto (PPA)*
Product Name:	*Personal Auto*		
Project Name/Number:	*/*		

Item Type	Item Name	Item Status	Public Access
Supporting Document	A-1 Private Passenger Auto Abstract		Yes
Supporting Document	APCS-Auto Premium Comparison Survey		Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		Yes
Supporting Document	Uniform Transmittal Document-Property & Casualty		Yes
Supporting Document	ARKS-125521208		Yes

SERFF Tracking Number:	*ARKS-125521208*	*State:*	*Arkansas*
Filing Company:	*18325 - Southern Farm Bureau Casualty Insurance Company*	*State Tracking Number:*	*#502003 $25*
Company Tracking Number:			
TOI:	*19.0 Personal Auto*	*Sub-TOI:*	*19.0001 Private Passenger Auto (PPA)*
Product Name:	*Personal Auto*		
Project Name/Number:	*/*		

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	03/06/2008
Submitted Date	
Respond By Date	

Dear NA NA,

This will acknowledge receipt of the captioned filing. It appears the rules require amendment for compliance with 23-79-152.

Please feel free to contact me if you have questions.

Sincerely,

Rate Information

Rate data does NOT apply to filing.

Supporting Document Schedules

Review Status:

Satisfied -Name: ARKS-125521208 03/20/2008

Comments:

Attachments:

ARKS-125521208 1.pdf
ARKS-125521208 2.pdf
ARKS-125521208 3.pdf
ARKS-125521208 4.pdf

P. Auto 18325

Alexa Grissom

From: Bill.Williams@afbic.com
Sent: Monday, March 10, 2008 11:14 AM
To: Alexa Grissom
Cc: Don McClure; Sandy.Nard@afbic.com
Subject: Re: Private Passenger Auto Rules Filing

FILED
MAR 13 2008
PROPERTY AND CASUALTY
ARKANSAS INSURANCE DEPT.

Mrs. Grissom,

Per our telephone conversation this morning, in the Agent's Manual section, Claims Experience Rating Rules on Page AI-15, we will add wording which indicates that a chargeable accident must be an "at fault" accident.

We will also indicate that any accident paid under Comprehensive coverage will not be considered as "at fault" and therefore, not chargeable.

We will send you a replace page AI-15. If you have any other questions after receiving the replacement page, please let us know. Thank you.

Best Regards,

Bill Williams, CPCU, API, ARe
Underwriting Manager
501-228-1463 Office
501-228-1800 Fax

"Alexa Grissom"
<Alexa.Grissom@arkansas.gov>

03/06/2008 11:44 AM

To <Bill.Williams@afbic.com>
cc
Subject Private Passenger Auto Rules Filing

Dear Mr. Williams

This will acknowledge receipt and review of the above captioned filing.

It appears that the Claims Experience Rating Rules on Page AI-15 require amendment for compliance with Ark. Code Ann. 23-79-152.

If I may be of assistance, please advise.

Sincerely

Effective March 1, 2007

Property & Casualty Transmittal Document

Reset Form

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	CH#502003
	c. Disposition:	
	d. Date of disposition of the filing:	$ 25
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	ARCS-125521208
	h. Subject Codes	

3.	Group Name	Group NAIC #

4.	Company Name(s)	Domicile	NAIC #	FEIN #	State #
	Southern Farm Bureau Casualty Ins. Co.	Jackson, MS	18325	640288243	

RECEIVED
MAR 03 2008
PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT

5.	Company Tracking Number	

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Bill Williams, 10720 Kanis Road, Little Rock, AR 72211	Underwriting Manager	501-228-1463	501-228-1800	Bill.Williams@afbic.com

7.	Signature of authorized filer	Bill Williams
8.	Please print name of authorized filer	Bill Williams

Filing information (see General Instructions for descriptions of these fields)

9.	Type of Insurance (TOI)	19.0 Personal Auto
10.	Sub-Type of Insurance (Sub-TOI)	19.0001 Private Passenger Auto (PPA)
11.	State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12.	Company Program Title (Marketing title)	
13.	Filing Type	☐ Rate/Loss Cost ☑ Rules ☐ Rates/Rules ☐ Forms ☐ Combination Rates/Rules/Forms ☐ Withdrawal ☐ Other (give description)
14.	Effective Date(s) Requested	New: 04/01/08 Renewal:
15.	Reference Filing?	☐ Yes ☑ No
16.	Reference Organization (if applicable)	
17.	Reference Organization # & Title	
18.	Company's Date of Filing	February 28, 2008
19.	Status of filing in domicile	☐ Not Filed ☐ Pending ☐ Authorized ☐ Disapproved

Effective March 1, 2007

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)

(Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	**This filing transmittal is part of Company Tracking #**	
2.	**This filing corresponds to rate/rule filing number** (Company tracking number of rate/rule filing, if applicable)	

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01		Auto Instructions 09-25-07	☐ New ☑ Replacement ☐ Withdrawn	Auto Instructions 04/01/08	
02			☐ New ☐ Replacement ☐ Withdrawn		
03			☐ New ☐ Replacement ☐ Withdrawn		
04			☐ New ☐ Replacement ☐ Withdrawn		
05			☐ New ☐ Replacement ☐ Withdrawn		
06			☐ New ☐ Replacement ☐ Withdrawn		
07			☐ New ☐ Replacement ☐ Withdrawn		
08			☐ New ☐ Replacement ☐ Withdrawn		
09			☐ New ☐ Replacement ☐ Withdrawn		
10			☐ New ☐ Replacement ☐ Withdrawn		

PC FFS-1

AUTO INSTRUCTIONS

(Revised 04/01/08)

AUTO INSTRUCTIONS

I. GENERAL RULES (07/15/99)

Southern Farm Bureau Casualty Insurance Company offers automobile coverage under two separate policies: (1) the regular Auto Policy (also referred to as the MV policy); and (2) the Comprehensive Auto Policy.

The regular Auto Policy provides automobile coverage for the following policy types: (1) Multi-Vehicle (MV) and (2) School/Church Bus (SB). The MV can be issued for six months or one year. The SB is issued for a one year term.

The Comprehensive Auto Policy is broader in coverage than the regular Auto Policy and is issued for a one year term. It is designated to provide comprehensive coverage for all vehicles owned by the insured. It also provides coverage for non-owned vehicles used by employees in the business of the insured and coverage for hired vehicles.

There are standard coverages found in the regular auto and Comprehensive policies. These coverages are designed to protect the insured against financial loss due to the operation of an automobile from: (1) legal liability to others for bodily injury and property damage; (2) PIP including medical expenses, death, and disability; and (3) damage to the policyholder's automobile. The following policy coverage information is condensed. Each coverage is subject to the conditions and exclusions contained in the policy. Questions concerning coverages should always be answered by referring to the actual policy.

II. LIABILITY COVERAGE – BODILY INJURY (COVERAGE "A") AND PROPERTY DAMAGE (COVERAGE "B") (07-15-1999)

With Coverage A and B, the Company agrees to pay damages for bodily injury and/or property damage for which the policyholder is legally responsible because of an automobile accident. The liability limit is written as split limits in which the amounts or insurance for both bodily injury and property damage are stated separately. For example, split limits of 25/50/30 mean that the insured has bodily injury limits in the amount of $25,000 for each person; $50,000 for each accident; and a $30,000 limit for property damage coverage.

Arkansas law requires an owner of an automobile to have minimum liability coverage in the amount of 25/50/25 if the automobile is to be licensed and used on public roads. The minimum amount offered by the Company is 25/50/30. Liability limits in greater amounts are available.

III. PERSONAL INJURY PROTECTION (PIP)- MEDICAL/ DEATH BENEFIT/ DISABILITY (04-15-2000)

Personal Injury Protection coverages can provide Medical Payments coverage, Death Indemnity coverage, and Disability Income coverage. The medical payments coverage provides up to $5,000 for each injured person. The Death Indemnity coverage provides up to $5,000 in the event of death to a covered person as the result of an auto accident. The Disability Income Benefits commence eight (8) days after the date of the accident and will continue for no longer than twelve months from the date of the accident.

The Personal Injury Protection Rejection Statement on the application must be signed by the applicant if any of the PIP coverages are rejected.

Personal Injury Protection Coverages do not extend from the insured automobile to other automobiles owned by the insured which do not also carry PIP coverage.

PIP Coverages are available on the following vehicle types:

Vehicle Type/Classification	PIP Coverage Offered
All Private Passenger Classes Beginning With Numbers 1-6 (1A, 2B3, 3A2D, etc.)	Medical, Death Indemnity, and Disability Income
Motorcycles - All	Medical, Death Indemnity, and Disability Income
All Trucks Classed With 'CA' or 'CB' (7CA1, 5CB2, etc.)	Medical, Death Indemnity, and Disability Income
Recreational Vehicles - All (All Terrain Vehicles, Etc.)	Medical (Death Indemnity and Disability Income Not Available)
School and Church Buses - All	Medical (Death Indemnity and Disability Income Not Available)
Trailers - All	Medical (Death Indemnity and Disability Income Not Available)

It is recommended to keep PIP coverage the same on each eligible vehicle. If the policyholder has medical, death, and disability on one private passenger auto, the same coverages should be carried on all other private passenger autos insured for the policyholder.

IV. COMPREHENSIVE AND COLLISION COVERAGES – PROTECTION AGAINST CLAIMS FOR DAMAGE TO THE POLICYHOLDER'S AUTOMOBILE (04-01-2006)

A. **Comprehensive Coverage** – Pays for loss of, or damage to, the automobile, except loss caused by collision or upset. This includes damage caused by fire, theft, windstorm, explosion, earthquake, flood, riot, civil commotion, hitting a bird or animal, etc. for actual cash value of loss. Damage to tires is covered for comprehensive coverage only when damage results from a covered comprehensive loss.

Loss of Use by Theft – The regular Auto policy and CA will pay up to $15.00 per day for transportation expenses subject to a maximum of $300 for loss of use by theft of the automobile. Loss of use coverage will begin 48 hours after theft is reported to the Company and police.

B. **Collision Coverage** – Insures against loss or damage caused solely by collision with another object or by accidental upset. This coverage insures the automobile for the actual cash value at the time of loss. Collision damage to tires is not covered unless such damages are the result of a covered loss.

The Collision insuring agreement provides that the deductible amount does not apply to collision losses involving the owned automobile and another automobile insured by this Company.

C. **Fire, Theft, and Combined Additional Coverages (FTCAC)** – This coverage insures against loss or damage caused by fire, theft, and combined additional coverage (loss or damage caused by windstorm, earthquake, explosion, hail, external discharge or leakage of water, flood or rising waters, riot or civil commotion, or the forced landing or falling of any aircraft or of its parts or equipment, or malicious mischief or vandalism). This coverage is only available for large trucks, trailers, and school/church buses.

D. **Rental and Travel Expense Coverage** – This coverage is available for private passenger automobiles that have Comprehensive and Collision coverage. The coverage pays up to $20 per day for rental expense when the insured's auto is damaged from a covered Comprehensive or Collision loss and cannot be driven. This coverage also pays for commercial transportation fares, extra meals, and lodging when the insured's vehicle cannot be driven because of a covered comprehensive or collision loss occurring more than 100 miles from the insured's home. The coverage is limited to $600 for any one covered loss.

V. UNINSURED MOTORIST COVERAGE (07-15-1999)

Uninsured Motorist Coverage – Applicants desiring coverage against loss caused by uninsured motorist can choose Uninsured Motorist Bodily Injury Coverage (UMBI) or the combined coverages of Uninsured Bodily Injury and Uninsured Motorist Property Damage coverage (UMBI/PD). Variable Uninsured Motorist limits are available up to the policyholders Bodily Injury/Property Damage limits. (See rates in the Rate Section)

UMBI provides the policyholder a means of recovery if Bodily Injury results from the negligence of an uninsured motorist. UMBI/PD provides the Bodily Injury protection plus Property Damage coverage when the policyholder's auto is damaged in an auto accident by an at-fault uninsured motorist.

Please Note: *We recommend UMBI/PD to avoid coverage gaps (especially if collision coverage is not on the vehicle).*

The applicant must sign a rejection statement on the application if either coverage is rejected. Also, a rejection statement must be signed when a new named insured is added to the policy.

VI. UNDERINSURED MOTORIST COVERAGE (04-01-2006)

This coverage provides the policyholder a means of recovery if Bodily Injury results from the negligence of an underinsured motorist. An underinsured motorist refers to the owner or operator of an auto who is insured for Bodily Injury by a liability bond or policy at the time of accident; however, the liability limits provided are not enough to cover the total amount of Bodily Injury damages the policyholder is entitled to collect. UIM liability limits are the same amount as the Bodily Injury Liability Limits on the policy. **UIM is available for private passenger automobiles, pickup trucks, motorcycles and motor homes.** (See rates in Rate Section)

By state law if the insured selects UIM coverage on an automobile, they must also select UM coverage on that same automobile.

Please Note: *Also, this coverage is excess over the liability limits of the at-fault underinsured motorist.*

Underinsured Motorist coverage is not available on the following classifications:

Trucks classed 8, 7, 5, 4 (CA or CB)
Trailers classed 8, 7, 5, 4 (CC or CD)
School or Church Buses
RV Classes

The motor home class (6CA1) does qualify for UIM.

VII. EXTENSION OF COVERAGE (07-15-99)

A. Temporary Substitute Private Passenger Autos or Use of Other Private Passenger Autos (PPA)

If the insured private passenger automobile (PPA) is withdrawn from use because of breakdown, repair, servicing, loss or destruction, or when the policyholder uses another automobile, the same coverage that the insured carries on their own PPA will apply to a substitute PPA or other PPA they might be using. This extension does not apply to automobiles owned or furnished for the regular use of the named insured or spouse or members of the same household or to vehicles rented for business. This extension of coverage is excess if there is insurance on the other PPA.

B. Automatic Insurance for Additional or Newly Acquired Private Passenger Autos – All transfers or purchases of additional automobiles should be reported to the Company immediately.

1. **The Replacement Automobile** – If the insured trades, sells or otherwise disposes of the insured automobile and secures a replacement PPA, the Company will provide liability coverage and the same comprehensive and collision coverages as provided to the vehicle being replaced. These coverages apply for thirty (30) days from the date the PPA is acquired or until the expiration date or cancellation date of the policy, whichever occurs first. The insured must pay any additional premium due. (The policyholder with a CA policy must report the replacement automobile by the renewal date immediately following the date the vehicle was replaced.)

2. **Additional Automobile** (Not a Replacement) – If the insured acquires an additional PPA, the same coverage that the named insured has in force will apply to the additional PPA for thirty (30) days from the date the PPA is acquired or until the expiration date or cancellation date of the policy, whichever occurs first. The insured must pay any additional premium due. If the additional PPA is not reported within 30 days of its delivery, coverage automatically terminates. (On CA policies, the insured is not required to report additionally purchased automobiles during the policy period. Liability coverage is automatically assumed on the date of delivery. Medical, comprehensive and collision coverage on newly purchased automobiles is automatic, provided the insured completes the Automatic Insurance Section of the application and each renewal survey request asking for these coverages on certain newly purchased automobiles.)

Under the Regular Auto Policy, there is NO automatic extension of coverage (Liability, Physical Damage) for motorcycles or any RV-Prefix type vehicles, such as 4-wheelers.

C. Cargo Coverage – Coverage includes damage to feed, seed, fertilizers, insecticides, farm produce, and farm livestock while being transported in the described pickup truck- subject to a maximum limit of $250 for each such loss. This extension applies when the insured has comprehensive and/or collision coverage.

D. Emergency Road Service – If the insured carries collision insurance, the Company will pay up to $25 for the expense for delivery of gas, oil, batteries, or tires (but not the cost of such items), immediate repairs not to exceed one hour, or towing, up to $50, to the nearest garage or service station if the automobile will not operate under its own power. This coverage applies only to private passenger automobiles and farm trucks.

On CA policies, Emergency Road Service is limited to "reasonable" expenses related to emergency service, including towing.

VIII. COMPREHENSIVE AUTO POLICY (05-01-2004)

This policy is designed for farming or small business operations. In order to qualify for the Comprehensive Auto policy, the applicant must insure all vehicles owned by himself or the corporation (if incorporated) and members of his household. The same basic coverages previously discussed are also available with the Comprehensive Auto policy; but, this policy provides certain extensions of coverage not available in the MV auto policy. The following features are built into the Comprehensive Auto policy.

A. **Non-Ownership Coverage** – The Comprehensive Auto policy, in addition to providing coverage for all automobiles owned by the insured, also provides coverage for non-owned automobiles used by employees in the business of the insured and also coverage for hired automobiles.

The premium for non-ownership coverage is based on the number of Class 1 and Class 2 employees.

A Class 1 Employee is any agent or employee of the insured whose usual duties involve the use of a personally owned automobile in the business of the insured.

A Class 2 Employee means all employees other than Class 1 persons. (In computing the premium, transit type labor such as cotton pickers and choppers, should be disregarded).

B. **Hired Automobile Coverage** – An important coverage included in the Comprehensive Automobile policy not offered in the MV policy is Hired Automobile Coverage.

This coverage is offered on an "if any" basis and extends bodily injury and property damage coverage to hired automobiles. The purpose of Hired Automobile Coverage is to protect the insured when another person is hired to haul his commodities. An example would be a farmer who hires another farmer to haul his cotton to the gin. Bodily Injury and Property Damage Coverage would be extended from the insured's Comprehensive Auto policy to the hired farmer's automobile while the hired farmer is hauling the insured's commodities. This should be reported on the audit survey and a premium charged. The rate for this coverage is based upon each $100 cost for hire.

C. **Automatic Coverage for Newly Acquired Vehicles** – The Comprehensive Auto policy provides automatic insurance for additional automobiles and replacement automobiles as is afforded by the insured's policy. The additional automobiles and replacement automobiles must be of the same type or purpose of use as those described in the Declaration in order for the automatic coverage to apply. The insured is not required to report additionally purchased automobiles during the policy period. Liability coverage is automatically assumed on the date of delivery. Medical, Comprehensive, and Collision Coverage on newly purchased automobiles is automatic, provided the insured completes the Automatic Insurance Section of the application and each renewal survey request asking for these coverages on certain newly purchased automobiles.

D. **Comprehensive Surcharge** – This is a per policy charge made on all Comprehensive Automobile policies. The surcharge is a combination of the minimum premium for employees non-ownership coverage, hired automobile coverage and the surcharge which is made because of the automatic coverage features of the policy. The charge is based on the insured's liability limits.

P. Auto 18325

Alexa Grissom

From: Bill.Williams@afbic.com
Sent: Monday, March 10, 2008 11:14 AM
To: Alexa Grissom
Cc: Don McClure; Sandy.Nard@afbic.com
Subject: Re: Private Passenger Auto Rules Filing

FILED
MAR 13 2008
PROPERTY AND CASUALTY
ARKANSAS INSURANCE DEPT.

Mrs. Grissom,

Per our telephone conversation this morning, in the Agent's Manual section, Claims Experience Rating Rules on Page AI-15, we will add wording which indicates that a chargeable accident must be an "at fault" accident.

We will also indicate that any accident paid under Comprehensive coverage will not be considered as "at fault" and therefore, not chargeable.

We will send you a replace page AI-15. If you have any other questions after receiving the replacement page, please let us know. Thank you.

Best Regards,

Bill Williams, CPCU, API, ARe
Underwriting Manager
501-228-1463 Office
501-228-1800 Fax

"Alexa Grissom"
<Alexa.Grissom@arkansas.gov>

03/06/2008 11:44 AM

To <Bill.Williams@afbic.com>
cc
Subject Private Passenger Auto Rules Filing

Dear Mr. Williams

This will acknowledge receipt and review of the above captioned filing.

It appears that the Claims Experience Rating Rules on Page AI-15 require amendment for compliance with Ark. Code Ann. 23-79-152.

If I may be of assistance, please advise.

Sincerely

Effective March 1, 2007

Property & Casualty Transmittal Document

Reset Form

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	CH#502003
	c. Disposition:	
	d. Date of disposition of the filing:	$ 25
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	ARCS-125521208
	h. Subject Codes	

3.	Group Name	Group NAIC #

4.	Company Name(s)	Domicile	NAIC #	FEIN #	State #
	Southern Farm Bureau Casualty Ins. Co.	Jackson, MS	18325	640288243	

RECEIVED
MAR 03 2008
PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT

5.	Company Tracking Number	

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Bill Williams, 10720 Kanis Road, Little Rock, AR 72211	Underwriting Manager	501-228-1463	501-228-1800	Bill.Williams@afbic.com

7.	Signature of authorized filer	Bill Williams
8.	Please print name of authorized filer	Bill Williams

Filing information (see General Instructions for descriptions of these fields)

9.	Type of Insurance (TOI)	19.0 Personal Auto
10.	Sub-Type of Insurance (Sub-TOI)	19.0001 Private Passenger Auto (PPA)
11.	State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12.	Company Program Title (Marketing title)	
13.	Filing Type	☐ Rate/Loss Cost ☑ Rules ☐ Rates/Rules ☐ Forms ☐ Combination Rates/Rules/Forms ☐ Withdrawal ☐ Other (give description)
14.	Effective Date(s) Requested	New: 04/01/08 Renewal:
15.	Reference Filing?	☐ Yes ☑ No
16.	Reference Organization (if applicable)	
17.	Reference Organization # & Title	
18.	Company's Date of Filing	February 28, 2008
19.	Status of filing in domicile	☐ Not Filed ☐ Pending ☐ Authorized ☐ Disapproved

Effective March 1, 2007

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)

(Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	**This filing transmittal is part of Company Tracking #**	
2.	**This filing corresponds to rate/rule filing number** (Company tracking number of rate/rule filing, if applicable)	

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01		Auto Instructions 09-25-07	☐ New ☑ Replacement ☐ Withdrawn	Auto Instructions 04/01/08	
02			☐ New ☐ Replacement ☐ Withdrawn		
03			☐ New ☐ Replacement ☐ Withdrawn		
04			☐ New ☐ Replacement ☐ Withdrawn		
05			☐ New ☐ Replacement ☐ Withdrawn		
06			☐ New ☐ Replacement ☐ Withdrawn		
07			☐ New ☐ Replacement ☐ Withdrawn		
08			☐ New ☐ Replacement ☐ Withdrawn		
09			☐ New ☐ Replacement ☐ Withdrawn		
10			☐ New ☐ Replacement ☐ Withdrawn		

PC FFS-1

AUTO INSTRUCTIONS

(Revised 04/01/08)

AUTO INSTRUCTIONS

I. GENERAL RULES (07/15/99)

Southern Farm Bureau Casualty Insurance Company offers automobile coverage under two separate policies: (1) the regular Auto Policy (also referred to as the MV policy); and (2) the Comprehensive Auto Policy.

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II. LIABILITY COVERAGE – BODILY INJURY (COVERAGE "A") AND PROPERTY DAMAGE (COVERAGE "B") (07-15-1999)

With Coverage A and B, the Company agrees to pay damages for bodily injury and/or property damage for which the policyholder is legally responsible because of an automobile accident. The liability limit is written as split limits in which the amounts or insurance for both bodily injury and property damage are stated separately. For example, split limits of 25/50/30 mean that the insured has bodily injury limits in the amount of $25,000 for each person; $50,000 for each accident; and a $30,000 limit for property damage coverage.

Arkansas law requires an owner of an automobile to have minimum liability coverage in the amount of 25/50/25 if the automobile is to be licensed and used on public roads. The minimum amount offered by the Company is 25/50/30. Liability limits in greater amounts are available.

III. PERSONAL INJURY PROTECTION (PIP)- MEDICAL/ DEATH BENEFIT/ DISABILITY (04-15-2000)

Personal Injury Protection coverages can provide Medical Payments coverage, Death Indemnity coverage, and Disability Income coverage. The medical payments coverage provides up to $5,000 for each injured person. The Death Indemnity coverage provides up to $5,000 in the event of death to a covered person as the result of an auto accident. The Disability Income Benefits commence eight (8) days after the date of the accident and will continue for no longer than twelve months from the date of the accident.

The Personal Injury Protection Rejection Statement on the application must be signed by the applicant if any of the PIP coverages are rejected.

Personal Injury Protection Coverages do not extend from the insured automobile to other automobiles owned by the insured which do not also carry PIP coverage.

PIP Coverages are available on the following vehicle types:

Vehicle Type/Classification	PIP Coverage Offered
All Private Passenger Classes Beginning With Numbers 1-6 (1A, 2B3, 3A2D, etc.)	Medical, Death Indemnity, and Disability Income
Motorcycles - All	Medical, Death Indemnity, and Disability Income
All Trucks Classed With 'CA' or 'CB' (7CA1, 5CB2, etc.)	Medical, Death Indemnity, and Disability Income
Recreational Vehicles - All (All Terrain Vehicles, Etc.)	Medical (Death Indemnity and Disability Income Not Available)
School and Church Buses - All	Medical (Death Indemnity and Disability Income Not Available)
Trailers - All	Medical (Death Indemnity and Disability Income Not Available)

It is recommended to keep PIP coverage the same on each eligible vehicle. If the policyholder has medical, death, and disability on one private passenger auto, the same coverages should be carried on all other private passenger autos insured for the policyholder.

IV. COMPREHENSIVE AND COLLISION COVERAGES – PROTECTION AGAINST CLAIMS FOR DAMAGE TO THE POLICYHOLDER'S AUTOMOBILE (04-01-2006)

A. **Comprehensive Coverage** – Pays for loss of, or damage to, the automobile, except loss caused by collision or upset. This includes damage caused by fire, theft, windstorm, explosion, earthquake, flood, riot, civil commotion, hitting a bird or animal, etc. for actual cash value of loss. Damage to tires is covered for comprehensive coverage only when damage results from a covered comprehensive loss.

Loss of Use by Theft – The regular Auto policy and CA will pay up to $15.00 per day for transportation expenses subject to a maximum of $300 for loss of use by theft of the automobile. Loss of use coverage will begin 48 hours after theft is reported to the Company and police.

B. **Collision Coverage** – Insures against loss or damage caused solely by collision with another object or by accidental upset. This coverage insures the automobile for the actual cash value at the time of loss. Collision damage to tires is not covered unless such damages are the result of a covered loss.

The Collision insuring agreement provides that the deductible amount does not apply to collision losses involving the owned automobile and another automobile insured by this Company.

C. **Fire, Theft, and Combined Additional Coverages (FTCAC)** – This coverage insures against loss or damage caused by fire, theft, and combined additional coverage (loss or damage caused by windstorm, earthquake, explosion, hail, external discharge or leakage of water, flood or rising waters, riot or civil commotion, or the forced landing or falling of any aircraft or of its parts or equipment, or malicious mischief or vandalism). This coverage is only available for large trucks, trailers, and school/church buses.

D. **Rental and Travel Expense Coverage** – This coverage is available for private passenger automobiles that have Comprehensive and Collision coverage. The coverage pays up to $20 per day for rental expense when the insured's auto is damaged from a covered Comprehensive or Collision loss and cannot be driven. This coverage also pays for commercial transportation fares, extra meals, and lodging when the insured's vehicle cannot be driven because of a covered comprehensive or collision loss occurring more than 100 miles from the insured's home. The coverage is limited to $600 for any one covered loss.

V. UNINSURED MOTORIST COVERAGE (07-15-1999)

Uninsured Motorist Coverage – Applicants desiring coverage against loss caused by uninsured motorist can choose Uninsured Motorist Bodily Injury Coverage (UMBI) or the combined coverages of Uninsured Bodily Injury and Uninsured Motorist Property Damage coverage (UMBI/PD). Variable Uninsured Motorist limits are available up to the policyholders Bodily Injury/Property Damage limits. (See rates in the Rate Section)

UMBI provides the policyholder a means of recovery if Bodily Injury results from the negligence of an uninsured motorist. UMBI/PD provides the Bodily Injury protection plus Property Damage coverage when the policyholder's auto is damaged in an auto accident by an at-fault uninsured motorist.

Please Note: *We recommend UMBI/PD to avoid coverage gaps (especially if collision coverage is not on the vehicle).*

The applicant must sign a rejection statement on the application if either coverage is rejected. Also, a rejection statement must be signed when a new named insured is added to the policy.

VI. UNDERINSURED MOTORIST COVERAGE (04-01-2006)

This coverage provides the policyholder a means of recovery if Bodily Injury results from the negligence of an underinsured motorist. An underinsured motorist refers to the owner or operator of an auto who is insured for Bodily Injury by a liability bond or policy at the time of accident; however, the liability limits provided are not enough to cover the total amount of Bodily Injury damages the policyholder is entitled to collect. UIM liability limits are the same amount as the Bodily Injury Liability Limits on the policy. **UIM is available for private passenger automobiles, pickup trucks, motorcycles and motor homes.** (See rates in Rate Section)

By state law if the insured selects UIM coverage on an automobile, they must also select UM coverage on that same automobile.

Please Note: *Also, this coverage is excess over the liability limits of the at-fault underinsured motorist.*

Underinsured Motorist coverage is not available on the following classifications:

Trucks classed 8, 7, 5, 4 (CA or CB)
Trailers classed 8, 7, 5, 4 (CC or CD)
School or Church Buses
RV Classes

The motor home class (6CA1) does qualify for UIM.

VII. EXTENSION OF COVERAGE (07-15-99)

A. Temporary Substitute Private Passenger Autos or Use of Other Private Passenger Autos (PPA)

If the insured private passenger automobile (PPA) is withdrawn from use because of breakdown, repair, servicing, loss or destruction, or when the policyholder uses another automobile, the same coverage that the insured carries on their own PPA will apply to a substitute PPA or other PPA they might be using. This extension does not apply to automobiles owned or furnished for the regular use of the named insured or spouse or members of the same household or to vehicles rented for business. This extension of coverage is excess if there is insurance on the other PPA.

B. Automatic Insurance for Additional or Newly Acquired Private Passenger Autos – All transfers or purchases of additional automobiles should be reported to the Company immediately.

1. **The Replacement Automobile** – If the insured trades, sells or otherwise disposes of the insured automobile and secures a replacement PPA, the Company will provide liability coverage and the same comprehensive and collision coverages as provided to the vehicle being replaced. These coverages apply for thirty (30) days from the date the PPA is acquired or until the expiration date or cancellation date of the policy, whichever occurs first. The insured must pay any additional premium due. (The policyholder with a CA policy must report the replacement automobile by the renewal date immediately following the date the vehicle was replaced.)

2. **Additional Automobile** (Not a Replacement) – If the insured acquires an additional PPA, the same coverage that the named insured has in force will apply to the additional PPA for thirty (30) days from the date the PPA is acquired or until the expiration date or cancellation date of the policy, whichever occurs first. The insured must pay any additional premium due. If the additional PPA is not reported within 30 days of its delivery, coverage automatically terminates. (On CA policies, the insured is not required to report additionally purchased automobiles during the policy period. Liability coverage is automatically assumed on the date of delivery. Medical, comprehensive and collision coverage on newly purchased automobiles is automatic, provided the insured completes the Automatic Insurance Section of the application and each renewal survey request asking for these coverages on certain newly purchased automobiles.)

Under the Regular Auto Policy, there is NO automatic extension of coverage (Liability, Physical Damage) for motorcycles or any RV-Prefix type vehicles, such as 4-wheelers.

C. Cargo Coverage – Coverage includes damage to feed, seed, fertilizers, insecticides, farm produce, and farm livestock while being transported in the described pickup truck- subject to a maximum limit of $250 for each such loss. This extension applies when the insured has comprehensive and/or collision coverage.

D. Emergency Road Service – If the insured carries collision insurance, the Company will pay up to $25 for the expense for delivery of gas, oil, batteries, or tires (but not the cost of such items), immediate repairs not to exceed one hour, or towing, up to $50, to the nearest garage or service station if the automobile will not operate under its own power. This coverage applies only to private passenger automobiles and farm trucks.

On CA policies, Emergency Road Service is limited to "reasonable" expenses related to emergency service, including towing.

VIII. COMPREHENSIVE AUTO POLICY (05-01-2004)

This policy is designed for farming or small business operations. In order to qualify for the Comprehensive Auto policy, the applicant must insure all vehicles owned by himself or the corporation (if incorporated) and members of his household. The same basic coverages previously discussed are also available with the Comprehensive Auto policy; but, this policy provides certain extensions of coverage not available in the MV auto policy. The following features are built into the Comprehensive Auto policy.

A. **Non-Ownership Coverage** – The Comprehensive Auto policy, in addition to providing coverage for all automobiles owned by the insured, also provides coverage for non-owned automobiles used by employees in the business of the insured and also coverage for hired automobiles.

The premium for non-ownership coverage is based on the number of Class 1 and Class 2 employees.

A Class 1 Employee is any agent or employee of the insured whose usual duties involve the use of a personally owned automobile in the business of the insured.

A Class 2 Employee means all employees other than Class 1 persons. (In computing the premium, transit type labor such as cotton pickers and choppers, should be disregarded).

B. **Hired Automobile Coverage** – An important coverage included in the Comprehensive Automobile policy not offered in the MV policy is Hired Automobile Coverage.

This coverage is offered on an "if any" basis and extends bodily injury and property damage coverage to hired automobiles. The purpose of Hired Automobile Coverage is to protect the insured when another person is hired to haul his commodities. An example would be a farmer who hires another farmer to haul his cotton to the gin. Bodily Injury and Property Damage Coverage would be extended from the insured's Comprehensive Auto policy to the hired farmer's automobile while the hired farmer is hauling the insured's commodities. This should be reported on the audit survey and a premium charged. The rate for this coverage is based upon each $100 cost for hire.

C. **Automatic Coverage for Newly Acquired Vehicles** – The Comprehensive Auto policy provides automatic insurance for additional automobiles and replacement automobiles as is afforded by the insured's policy. The additional automobiles and replacement automobiles must be of the same type or purpose of use as those described in the Declaration in order for the automatic coverage to apply. The insured is not required to report additionally purchased automobiles during the policy period. Liability coverage is automatically assumed on the date of delivery. Medical, Comprehensive, and Collision Coverage on newly purchased automobiles is automatic, provided the insured completes the Automatic Insurance Section of the application and each renewal survey request asking for these coverages on certain newly purchased automobiles.

D. **Comprehensive Surcharge** – This is a per policy charge made on all Comprehensive Automobile policies. The surcharge is a combination of the minimum premium for employees non-ownership coverage, hired automobile coverage and the surcharge which is made because of the automatic coverage features of the policy. The charge is based on the insured's liability limits.

E. **Loss Ratio Premium Discount** – A loss ratio premium discount will be applied to all Comprehensive Auto policies meeting the following criteria:

1. The loss ratio is less than 69%; and
2. At least 25 vehicles are scheduled.

A discount of 1% will be applied for each 2% increment by which the loss ratio is below 60%. For example, if the actual loss ratio is 58%, the discount is 1%. If the actual loss ratio is 56% the discount is 2% , and so on. The maximum discount is 15%. Only the experience with Southern Farm Bureau Casualty Insurance Company will be used.

The maximum experience to be used in calculating the discount is three years; however, if the policyholder has only one year experience, it will be used in calculation of the loss ratio premium discount. If a policy receiving discount does expire, the discount will still be available if the policy is reinstated within sixty days.

The factors used in determining the loss ratio will be the net premium (including comprehensive surcharge), plus audit premium divided into incurred losses, which are losses paid plus loss reserves. Agent commission will be based on the net premium (gross premium minus premium discount).

IX. ENDORSEMENTS (09-01-06)

The following endorsements can be used on all automobile policy types unless otherwise noted.

A. **Carrying School Children (Endorsement Code CS)**– Private passenger automobiles which are used to carry school children will be classified and insured as any other private passenger automobile. An additional charge, which is shown in the rate section, will be made for transporting the school children. There will be no refund of unearned premium on the additional charge.

B. **Government Automobile (Endorsement Code GO)** – Automobile policyholders who have government owned automobiles assigned to them may purchase this endorsement which will extend Bodily Injury and Property Damage from their policy while using such automobiles for personal use. This will be excess coverage over and above any other available insurance and protects only the policyholder.

C. **Carrying Passengers for a Consideration (Endorsement Code CP)** – Policies may be endorsed to extend coverage to protect the insured while using his/her private passenger automobile for carrying passengers for consideration, where such usage is incidental to some personal trips of the operator and is not solely for the purpose of carrying such individuals for compensation.

EXAMPLE: John travels 23 miles to and from work. There are three people in his neighborhood who work close to where John works. They do not wish to car pool. They are willing to pay John his expenses to ride to and from work in exchange for transportation to and from work.

NOTE: Detailed explanation of such use of the automobile should accompany all requests for this additional protection.

D. **Driver Training Credit (Endorsement DT) (04/01/08)** – A 10% discount will be provided to any private passenger automobile or pickup truck rated as Class 2, 3, or 5, upon presentation of a certificate or Form A1533 signed by a school official. However, we will accept an e-mailed statement of completion from a school official on school letterhead. Drivers under the age of twenty-two (22) years are eligible. They must successfully complete a course of driver training consisting of a minimum of thirty (30) hours of class work and six (6) hours of driving instruction, or obtain a school bus driver's certificate approved by the State Department of Education. On-line internet courses will not qualify.

E. **Good Student Discount (Endorsement GS) – (04/01/08)** Private passenger automobiles and pick up trucks rated as Class 2, 3, or 5 are eligible for the Good Student Discount. For Good Student Discount, we will accept form A1533 as certification. We will also accept an e-mailed statement from a school official, on school letterhead, which clearly specifies one of the required qualifications.

The student must be at least sixteen (16) years of age and (1) be a full time high school student or (2) enrolled as a full time student (at least 12 hours) in academic courses in a college or university and the scholastic records for the immediately **preceding school semester or quarter** must show that the student:

1. Ranked among the upper 20% of his/her class scholastically, or
2. In schools using letter grades, have a grade average of "B" or better or its equivalent, or, if the system of letter grading cannot be averaged, no grade below a "B", or
3. In schools using numerical grade points, such as 4, 3, 2, and 1 points, have an average of at least 3 points for all subjects combined, or its equivalent, or
4. Be included on the "Dean's List", "Honor Roll", or comparable list indicating scholastic achievement.

Once the discount is added, it will apply up to one year thereafter, provided said driver remains in school and the policy remains Class 2, 3, or 5. For re-certification, the Company will mail Form A1533 once a year, just prior to the renewal date, to the insured with instructions for its completion and signature. If it is not returned to the Company at least twenty-five (25) days prior to the renewal date, the Good Student Discount will be removed and the policy will be billed at the non-discounted rate.

Students who are home schooled are also eligible for the Good Student Discount. The student must be a least sixteen (16) years of age, a full time student, and must be ranked in the upper 20% on one of the following national standardized tests: Stanford Achievement Test, PSAT, PLAN, SAT-1, ACT, Iowa Test of Basic Skills, or the California Achievement Test. Home Schooled students who score a 22 or above on the ACT exam or a 1030 or above on the SAT exam will also be eligible for the Good Student Discount.

Once the discount is added, it will apply up to one year thereafter, provided said driver remains in school and the vehicle remains a Class 2, 3, or 5. For re-certification, the Company will mail Form A1533 once a year, prior to the renewal date. The re-certification form must be completed and returned to the Company, with a copy of one of the above listed tests, which was completed within the past twelve months. The student must continue to score in the upper 20% to maintain the discount. If the re-certification is not returned to the Company at least twenty-five (25) days prior to the renewal date, the home schooled discount will be removed and the policy will be billed at the non-discounted rate.

F. **Post Graduate Discount (Endorsement PG)** – Private passenger automobiles and pickup trucks rated Class 2, 3, or 5 are eligible for the Post Graduate Discount.

All unmarried drivers **under the age of 25 years** qualify for the discount if they have graduated from a four (4) year college or university and their cumulative scholastic records shows that they have attained one of the following:

1. If letter grades are used, had a grade average of "B" or higher, or
2. Had at least a 3 point average on a 4 point scale (or equivalent).

A copy of the driver's last transcript must be submitted with Form A1533, the Statement of Qualification for Post Graduate Discount. Once the discount is added, it will apply as long as the vehicle remains Class 2, 3, or 5.

G. **Defensive Driving Discount (Endorsement DD) (04/01/08)** – Private passenger automobiles and pickups (other than commercial) are eligible for a 5% discount on Liability, Medical, Comprehensive, and Collision premiums provided:

1. The principal operator of the automobile has successfully completed a Defensive Driving course through one of the following Defensive Driver Training programs:
   a) AARP
   b) Arkansas Safety Council
   c) Thompson's Defensive Driving School

   The Thompson's School has a one-day course specifically designed for students who no longer have the opportunity to take a defensive driving program in school. Agents may contact the Farm Bureau Safety Coordinator for more information.

   A course certificate will be acceptable for credit. On-line internet courses will not qualify.

2. The certificate is presented within 60 days of completion of the course.

3. The principal driver shall repeat the course every three years to continue to be eligible for the discount. To re-certify when the insured's certificate has expired, the Company will mail a letter to the insured, just prior to the renewal date, advising that the credit will no longer apply until he/she completes the Defensive Driving course and mails the Company a new certification. If the Company does not receive the certificate at least 25 days prior to the renewal, the policy will be billed without the discount.

   Note: The discount does not apply to:
   a. A driver who is already receiving driver training credit.
   b. A driver under the age of 55 who is "coerced" into taking the course in lieu of losing his license, paying fines, etc.

4. The discount only applies to one automobile per certificate.

H. **Non-Ownership Endorsement (Endorsement NO)** – Coverage for non-owned automobiles furnished for the regular use of the insured is excluded; however, there are some situations where the insured is furnished an automobile by their employer and the employer's policy does not cover the employee when using the automobile for personal use.

The Non-Ownership Endorsement can be added to provide liability and PIP coverages to the insured while operating the non-owned automobile for personal use. The endorsement is available for non-owned private passenger automobiles and pickups.

I. **School And Church Bus Endorsement (Endorsement SB)** – This endorsement is used when insuring a school or church bus. The endorsement amends certain portions of the Personal Auto Policy. The agent should advise the school or church officials to limit the use of the bus for school or church activities and not to allow the bus to be loaned or rented to other groups.

J. **Restricted Driver Endorsement (Endorsement RE)** – This endorsement can only be added to an existing policy when a driver must be excluded from coverage while operating an insured auto. Requests to add this endorsement to a policy will be considered on an individual basis. A written recommendation from the agent should always accompany a request to restrict a driver.

If Underwriting approves the use of a restrictive endorsement, one will be sent to the named insured. The endorsement will list the name(s) of the driver(s) being restricted. The named insured will be asked to sign the endorsement and return it to the Company. The policyholder will be required to sign a new restrictive endorsement every three years. There is no additional charge for this endorsement. If the endorsement is not signed and returned to the Company, the policy will either be cancelled, if the restrictive endorsement was due to the DWI or suspended license (other than an administrative suspension); or non-renewed if the endorsement was added for any other reason.

K. **Antique and Classic Automobile Endorsement** – This endorsement amends the loss settlement provision on the vehicle for which it is designated. Comprehensive, collision, and uninsured motorist property damage losses will be settled based on the lesser of the stated value of the vehicle listed on the endorsement or the cost to repair or replace the damaged property with property of like kind and quality.

When applying for this endorsement, it is necessary to establish the age, value, and condition of the vehicle. An appraisal from an antique or classic automobile organization or reputable garage and two photographs of the vehicle will be required when physical damage coverages have been selected. A minimum deductible of $100 will apply to all comprehensive losses, and a minimum deductible of $250 will apply to all collision losses.

1. **Antique Autos (Endorsement AA)** – An antique auto is <u>a motor vehicle of the private passenger type which is 25 or more years old and is maintained primarily for use in exhibitions, club activities, parades, and other functions of public interest</u>.

   Antique autos must be rated 1A without a multi-car, farm, mature driver, or any other discounts. If there is a youthful driver not rated on another insured auto, then the youthful driver should be excluded. Bodily injury and property damage liability coverages and medical coverages will be provided at a discounted rate for antique autos. Comprehensive and collision coverage can be provided at the full rate. List symbols are determined according to the 1989 and older column of the table on page LS-1 and the stated value of the vehicle.

2. **Classic Autos (Endorsement CV)** – A classic auto is a motor vehicle of the private passenger type which is 15 years old or older whose value may be significantly higher than the average value of other vehicles of the same make and year model, due to its condition or being a limited edition for a particular model year. A classic auto may be used on a regular basis. Classic autos are rated at the applicable private passenger classification (1A, 1B, 1C, 2C, 3B, etc.) and the multi-car, farm, mature driver, and any other discounts are allowed.

L. **Customization (Endorsement CU)** – This endorsement should be used when a private passenger auto has been customized. Customization such as special paint, special glass, Mag wheels, power winches, stereo and security systems, etc. can significantly increase the value of the vehicle. If they were added after the vehicle was purchased, they were not considered when the list symbol was figured. This endorsement allows us to adjust the value of customized vehicles to account for such customization in the rating process. When insuring a customized vehicle, the agent should complete the Customization Supplement and submit it with the application or change request and add the CU endorsement code to the customized vehicle.

M. **Companion Policy Discount**
This discount is available on private passenger autos for insureds who also have an active Homeowner policy or an owner occupied dwelling on a Property Owner's Policy. The credit will automatically be added to qualifying vehicles at renewal. A 10% discount will apply to insureds with an active HO-1 or HO-3 and a 7.5% discount will apply to insureds with an active HO-4 or POP owner dwelling.

X. **Loss Payee Clause – (04/01/08)** If there is a loss payee shown on the Declaration, we will repair the insured property or pay any loss payable to the loss payee and the insured as interests appear. This provision applies only to property shown on the Declaration as subject to the security interest of the loss payee. If more than one loss payee for the property is shown on the Declaration, the order of our payment to each loss payee is the same as the order of precedence of the security interest.

If we deny a claim to the insured, that denial does not apply to a valid claim under the policy by the loss payee, if the loss payee complies with certain provisions of the policy.

XI. PRIVATE PASSENGER AUTOMOBILE RATING CLASSIFICATIONS (04-01-2006)

A. **Importance of Correct Classification** – It is very important to classify automobile business correctly. Automobiles are classified based on various rating factors. The correct premium must be collected on each risk to help guarantee Company soundness and solvency.

B. **Class Code Description** - The automobile rating class code is a multi-digit code used to indicate the use of the automobile, marital status, sex and age of the driver for passenger cars and pickups. The following is a breakdown of the meaning of each digit of the class code.

1ST DIGIT – DENOTES GENERAL CLASS GROUP BY AGE, SEX, AND MARITAL STATUS	
1	No operators under age 25
2	Single male occasional operator under age 25
3	Single male principal operator under age 25
4	Married male operator under age 25
5	Single female operator under age 25, occasional or principal operator (no male operator under age 25)
6	Pickup truck used in farming or other business pursuit ("pickup truck" includes those with rating capacity of 1/2, 3/4, or 1 ton)

Note - Under age 25 married females receive the "No operators under 25 code."

2ND DIGIT – DENOTES USE OF AUTOMOBILE	
A	Automobile is pleasure driven or used to drive to and from work, or school, three (3) or less road miles one way.
B	Automobile is pleasure driven and used to drive to and from work, or school, more than three (3), but less than ten (10) road miles one way.
C	Automobile is pleasure driven and used to drive to and from work, or school, ten (10) or more road miles one way.
D	Automobile is customarily used in business or profession of insured. Also includes automobiles principally driven by tradesmen or artisans. (Carpenters, painters, plumbers, welders, contractors, etc.)
F	Applicant must operate a farm producing substantial agricultural commodities for sale to others. Automobile is not used in any occupation other than farming (not used to drive to and from work) and is principally garaged on a farm. Applicant may live in an urban area provided they are a full-time farmer producing substantial agricultural commodities for sale to others. Full-time ministers; Agricultural Extension Agents, Associates and Assistant Extension Agents; Home Demonstration Agents, Associate and Assistant Home Demonstration Agents; Vocational Agricultural Instructors and Agricultural Experiment Station Employees qualify for the farm rate, provided the automobile is not used to driver to and from other non-farm work.

3RD DIGIT – DENOTES AGE BRACKETS OF OPERATORS IF DRIVER IS UNDER 25 OR OVER 65	
1	Operators age 15 through 19
2	Operators age 19 through 21
3	Operators age 22 through 24
7	Any operator between the ages of 50 and 64 (used only on passenger cars or pickups rated as private passenger autos and not used in farming or other business)
9	Any operator age 65 or over (used only on passenger cars or pickups rated as private passenger autos and not used in farming or other business)
4	No underage single male drivers (used only on drivers of pickup trucks driven in farming or other business)
5	Any single male drivers, under age 25 (used only on drivers of pickup trucks driven in farming or other business)

The birth date of the rated driver (codes 1, 2, 3,5, 7 and 9) is updated by the policy system to change the rating class automatically for proper billing as the youthful driver ages. Youthful drivers with hardship licenses or permits should be added to the policy and correctly classified.

4TH DIGIT – DENOTES MULTI-CAR DISCOUNT (IF ANY)	
D	Multi-Car Discount, used on passenger cars
M	Multi-Car Discount, used on pickup trucks
P	Used on pickup trucks not qualifying for Multi-Car Discount

A named insured, who owns two or more private passenger autos and/or pickup trucks insured with the Company qualifies for the multi-car discount. The words "named insured", if an individual, means the first person listed on the policy application or declaration and includes a spouse, if any. The named insured can also be a farming or business entity.

Classification of Youthful Operators – If the Company insures a family with a youthful driver and the family owns one auto, the youthful driver will have an occasion to drive the family auto. The occasional driver (class 2) must be placed on the family auto for a youthful male driver. A youthful female driver will be a (class 5).

If the family owns more than one auto, the youthful driver may be more than an occasional driver of one of the autos. It is important to accurately determine which family members are principal drivers of the autos insured and the exact one-way mileage driven to school or work. If the youthful driver drives one auto more than anyone else in the family, he/she should be classified as the principal driver of that auto.

It the youthful driver is determined to be an occasional driver, the youthful driver should be rated as an occasional driver on the auto that produces the most premium.

CLASSIFICATION EXAMPLES	
1	An automobile driven for pleasure or no more than 3 miles one way to work, no youthful drivers, and a multi-car discount. Classification if a pickup - 1AM Classification if a private passenger automobile - 1AD
2	An automobile driven occasionally by a single male, between the ages fo 19 and 21, principally driven by the youth's father more than 3 miles, but less than 10 miles one way, to work, no multi-car discount Classification if a pickup - 2B2P Classification if a private passenger automobile - 2B2
3	An automobile driven principally or occasionally by a single female, between the ages of 15 and 18, the automobile is used in a business and does qualify for a multi-car discount Classification if a pickup - 6D4M Classification if a private passenger automobile - 5D1D
4	An automobile used strictly for farming, driven by a married male, between the ages of 15 and 18, no multi-car discount Classification if a pickup - 6F4P Classification if a private passenger automobile - 4F1
5	Two pickup trucks owned by a married male age 18, who operates a farm and his wife who drives 5 miles to work Classification for 1st pickup - 6F4M Classification for 2nd pickup - 4B1M
6	An automobile driven by a single male who is a full-time farmer, between 19 and 21 years of age, the automobile is used in farming and there is a multi-car discount Classification if a pickup - 6F5M Classification if a passenger automobile - 3F2D
7	An automobile driven by a 55 year old person to work 6 miles one way, no youthful drivers, with a multi-car discount Classification if a pickup - 1B7M Classification if a private passenger auto - 1B7D
8	An automobile driven by a person over age 65, used strictly for pleasure, no underage drivers, no multi-car discount. Classification if a pickup - 1A9P Classification if a private passenger automobile - 1A9

VEHICLE USE	
W	Work
P	Pleasure
F	Farm
B	Business
S	School

The vehicle use code is for statistical information purposes.

XII. PICKUP TRUCK CLASSIFICATION (07-15-1999)

A pickup is defined as an automobile with a rating capacity of up to and including one ton. Pickups will be classified as passenger automobiles. Automobiles with pickup truck type cabs and beds, such as the Chevrolet Avalanche, are considered pickups. This includes one ton trucks with single or extended cabs having flatbeds. (i.e. Dodge Ram 3500, Chevy 3500, Ford 350, etc.)

Vans and SUVs cannot be rated as pickups, but must be rated as passenger automobiles, according to usage.

Remember

1. All pickup truck classifications beginning with a "6" must have a class code consisting of four digits. A "P" or "M" must be shown as the fourth digit.
2. Pickup truck classifications are the same as private passenger car classifications, except when the pickup is used for farming or other business pursuits and except for the last digit in the class code.
3. Pickup trucks used in farming or other business pursuits will always have a"6" as the first digit and a "4" or "5", as the third digit.
4. Liability does not extend from a business or commercially used pickup truck when towing a service or utility trailer that is also being used commercially or for business.

   For Pickup Truck rating examples see the previous Classification Examples Section.

XIII. NEW BUSINESS RATING RULES FOR PRIVATE PASSENGER AUTOS AND PICKUP TRUCKS (09-25-2006)

The agent should read Unacceptable Risks rules in the Auto Underwriting Guidelines before binding coverage or quoting rates. If an applicant is acceptable to underwriting, the following rating rules apply:

A. PREFERRED RATING TIER (All Subject to Underwriting Acceptance)

1. No chargeable accidents in the past 3 years.
2. One minor moving violation in the past 3 years **(includes violation(s) received in an accident(s))**

B. STANDARD RATING TIER (All Subject to Underwriting Acceptance)

1. 1-2 chargeable accidents in the past 3 years.
2. 2- minor moving violations in the past 3 years. **(Includes violation(s) received in an accident(s))**
3. 1 major violation (includes violations received in an accident)

4. Drivers who have been cancelled, declined or non-renewed by their previous carrier for underwriting reasons.
5. Drivers with no prior liability insurance at the time of application.

   If an applicant cannot verify in force liability insurance coverage at the time of application, the standard rating tier will apply for 1 year.

   Insurance verification will be:

   (1) current policy declaration; or

   (2) current proof of liability card.

   The only exceptions to this rule will be:

   (1) military personnel returning from active duty overseas within the past 60 days. A letter from the commanding officers or other papers providing specific discharge or date information will be required.

   (2) Applicants who have operated an auto provided by their employer and who can provide verification from the employer on a company letterhead. The letter must also provide the applicant's claim experience while operating the company auto.
6. Drivers whose operator's license is not active or has been suspended or revoked in the last 5 years.
7. Type of vehicle **(See Page AI17, Section XIV)**

C. RENEWAL BUSINESS AND/OR REINSTATEMENTS RATING RULES

Many existing risks originally written in the Preferred Rating Tier will change and may be renewed automatically in the Standard Rating Tier. The rating tier will be reviewed each renewal and set automatically based on information that has occurred during the 3 year period prior to each renewal. The following qualification rules will apply:

1. **PREFERRED RATING TIER (All Subject to Underwriting Acceptance)**

   a) 0-2 accidents in the past 3 years

   b) two minor moving violations in the past 3 years (includes violation(s) received in accident(s))
2. **STANDARD RATING TIER (All Subject to Underwriting Acceptance)**

   a) 8 lapses in the past 3 years if quarterly or monthly pay mode

   b) 2 NSF's in the past 3 years

   c) 3-4 chargeable accidents in the past 3 years (includes violation(s) received in accident(s))

   d) 3 minor moving violations in the past 3 years.

   e) 1 major violation

   f) Additional drivers with no prior insurance. The standard tier will apply for 1 year.

   g) Client reinstating a policy out of force more than 90 days. The standard tier will apply for 1 year.

   h) Drivers whose operator's license is not active or has been suspended or revoked in the last 5 years.

   i) Type of vehicle **(See Page AI17, Section XIV)**

D. CREDIT SCORE RATING RULES

Credit score will be used as a rating factor for all new business and on renewals for policies that have been in force less than 6 years. The score will be obtained annually on all insureds between the ages of 25 and 75. The maximum or highest score from all insureds will be used to rate the policy. This rating factor will be used on private passenger vehicles only. The rating factor will vary depending upon the number of years insured. In accordance with Arkansas Statute 23-67-401, et. seq., knowledge of a consumer's credit report will not be the sole reason to refuse to issue or renew coverage or to limit the amount of coverage.

See **Auto Underwriting Guidelines (AUG) section for general information about Underwriting financial stability and credit reports**.

E. CLAIMS EXPERIENCE RATING RULES

The Company may assign surcharges based on the number of chargeable accidents to any acceptable new business applicant or existing policyholder. A chargeable accident is defined as an accident which exceeds $750 in damages to any property, including the insured's, and /or bodily injury, or death during the preceding 36 month period. Chargeable accidents for renewal business will be assigned a claim count and a rating surcharge will be applied according to the number of years a policy has been in force. These surcharges will apply to both rating tiers. These surcharges will follow the driver and will be charged on the vehicle that driver is rated on. If the vehicle is deleted the factor will be applied to another vehicle at renewal. At fault accidents will be charged against the insured until the accident is over three years old.

See **Auto Underwriting Guidelines (AUG) section for Unacceptable Risks**.

A new applicant may qualify for a claim free discount if claim free for the past three years. Verification will be:

(1) A current policy declaration showing claim free discount based on previous three years;

or

(2) verification from the current company or agent on letterhead providing the loss experience.

or

(3) a claim free CLUE and/or traffic violation report.

F. VIOLATION RATING RULES

Traffic Violation Reports will be obtained on all drivers on new business applications. Violations will be classified as "Minor" or "Major". A violation count will be assigned to each driver. Major violations include: DWI, DUI, driving while drivers license is suspended or revoked, leaving the scene of an accident, homicide or assault with an auto, drag racing, reckless driving, fleeing and committing a felony with an auto, and passing a school bus that is loading or unloading children. All other violations for the purposes of rating will be considered "minor". The Company will NOT consider failure to wear a seatbelt, failure to display a registration card, or motor vehicle equipment requirement violation as a minor violation and no surcharge will be applied. Violations will be charged against the insured until the violation is over three years old.

See **Auto Underwriting Guidelines (AUG) section for Unacceptable Risks.**

XIV. AUTOMOBILE MODEL TYPES NOT ACCEPTABLE (09-01-2006)

The vehicles listed below are not insurable for a new client. A trial application must be submitted for an existing Auto Policyholder. An existing auto policyholder will have some automatic coverages on a newly acquired or replacement auto. Therefore, a trial application is not necessary, but the Underwriter will determine whether or not to continue on the auto after the automatic coverage time period. If accepted, the vehicles will be written in the standard rating tier.

Manufacturer	Model(s)
Acura	All NSX Models
Aston Martin	All Models
Bentley	All Models
Brammo Motorsports	Ariel Atom
Bricklin	All Models
De Lorean	All Models
Dodge	Viper
Ferrari	All Models
Lamborghini	All Models
Lotus	All Models
Maserati	All Models
Maybach	All Models
Morgan	All Models
Panoz	All Models
Rolls Royce	All Models
Daewoo	All models ineligible for Comp and Collision
Dodge	Stealth Turbo
Chevrolet	Corvette ZR1

XV. INSURING AND CLASSIFYING OTHER TYPES OF VEHICLES (04-01-2006)

A. **Motorcycles** - coverage on motorcycles is available to Farm Bureau members who have their private passenger autos insured with the Company. Motorcycles shall be classified according to the Private Passenger Auto Classifications. Motorcycles weighing less than 300 pounds will use Endorsement Code **SM**. Those weighing over 300 pounds will use Endorsement Code **LM**.

A motorcycle is not eligible for the Multi-Car Discount, Defensive Driving Discount, Driver's Education Discount, Good Student Discount, or Post Graduate Discount.

A motorcycle is eligible for all PIP coverage parts, UM and UIM, but not Rental/ Travel. To determine the rating symbol, use the table in the Motorcycle Section of the Auto Rate pages.

B. Recreational Vehicles - a recreational vehicle is defined as an all-terrain vehicle (i.e. 4-wheelers, 6 wheelers), dune buggy, mini-bike, motor scooter, trail bike, golf cart or snowmobile. These vehicles are used principally off public roads.

A motorcycle licensed and used on public roads is not considered a recreational vehicle unless it meets the recreational vehicle definition. (See Recreational Vehicle Endorsement RV in the Auto policy booklet.)

Recreational vehicles are not eligible for the Multi-Vehicle Discount, Defensive Driving Discount, Driver's Education Discount, Good Student Discount, PIP Disability Income Coverage, or PIP Death Indemnity Coverage.

To determine the rating symbol, use the table in the Recreational Vehicles Section of the Auto Rate pages. Battery powered motor scooters can be classed RV12.

C. Motorhome/Vans

Self propelled vehicles of the "motorhome" type that are larger than a ¾ ton, shall be classified 6CA1. To determine the physical damage rating symbol, use the list price when new, including all permanently attached equipment. Rate and symboling will be found in the Truck Rate Section of this manual. Motorhomes are eligible for all the same coverages as a passenger car, except Rental/Travel.

D. School/ Church Bus

The Company will consider writing coverage for school or church busses on a limited basis due to the increased exposure of transporting passengers. The agent should advise the school or church officials to limit the use of the bus, van, or auto to activities sponsored by the school or church. The bus, van or auto should not be loaned or rented to other groups.

All school bus or church bus policies are written on a twelve (12) month basis regardless of the school term or duration of such term. If the school owns a spare bus, it must be listed on the policy to be insured. The rates for spare buses are the same as rates for buses used regularly, depending on the size of the buses and the coverage desired.

The only liability limits available for school bus or church bus policies are 25/50/30 and 50/100/30.

School bus or church bus classifications are based on the capacity of the bus.

Class	Capacity
SB1	Under 30 Passengers
SB2	31-60 Passengers
SB3	61 and above Passengers

E. Utility, Camper and Other Non-Commercial Use Trailers

Liability coverage, Bodily Injury and Property Damage, extends from the private passenger auto to a non-commercial trailer (or farm machinery), only when attached to a private passenger auto insured by the Company. Liability coverage can be added to the trailer for coverage while unattached to the pulling vehicle. When a trailer is used with a private passenger auto not insured by this Company, liability coverage applies to the trailer, but only with respect to the named insured.

Unless shown on the policy declaration and a premium paid, liability coverage does not apply when the trailer or farm machinery:

1. Is used for any business or work other than farming; or
2. Is used for an office, store, display, demonstration, semi, or passenger trailer, home or temporary living quarters.

To insure such trailers for liability or physical damage coverage, use class code 6CC1 if towed by a private passenger auto or non-commercial pickup truck. Use class code 7CC1 if towed by a 7CA1 farm truck or class code 7CD1 if towed by a 7CB1 farm truck. If the trailer is towed by a commercially rated truck, the premium is 25% of the premium applicable to the truck being used. The class code will depend upon the class of the towing truck.

F. Pickup Mounted Campers and Camper Shells

The Auto policy provides up to $750 Comprehensive and Collision coverage for camper shells and pickup mountable campers when the policyholder has those same coverages on his/her auto. To insure a camper or camper shell or pickup mountable camper in excess of $750 in value, you should use the 6CC1 class and list it as a specific item on the policy, giving the name, year model, symbol, identification number, etc.

The Comp Auto policy does not provide this automatic coverage for camper shells and pickup mountable campers. Campers and camper shells valued at $750 or less can be insured, for no extra premium charge, by completing the Truck Questionnaire when the auto has Comprehensive and Collision coverage. Any camper shell or pickup mountable camper in excess of $750 in value at the 6CC1 class can be insured as a specific item on the policy.

XVI. INSURING AND CLASSIFYING LARGE TRUCKS AND TRAILERS (09-25-2006)

A. Farm and Commercial Trucks (1 ton or larger) – Trucks are made for many different uses. Some are designed to haul products without the use of a trailer, even though a trailer may be used occasionally. Some trucks, known as tractors or tractor-trucks, are designed specifically to pull trailers or semi-trailers, which carry a product. Whatever the design, all large trucks are classified as either farm or commercial, according to use. Since the Company was organized to provide insurance protection for farmers and agri-related businesses, a conservative approach will be taken to truck underwriting.

The Company will insure only those commercially rated trucks used to haul agri-business products and then only when the Company insures the entire account, and the account has had an acceptable loss history.

Trucks used to haul butane, propane, gas, gasoline, alcoholic beverages and passengers for pay cannot be insured under any circumstances. The Company will not insure any truck requiring an ICC filing, Public Service Commission Filing, Motor Carrier Act Filing, or any emergency type vehicle.

Trial applications are required on all long haul (over 100 miles one way) trucks and on all non-agri trucks.

If the use of the truck involves more than one rate classification during the year, the highest rated classifications cannot be changed to coincide with seasonal use.

B. Vehicle Capacity Reference Guide

This information is a guideline to go by for each of these manufactures and is the ordinary capacity for each of these model types. Depending upon how a vehicle is produced (modifications, etc.) At the factory, this information may not be 100% accurate.

Typically, any vehicle with a Gross Vehicle Weight in excess of 10,000 lbs will also have a capacity of more than 1 ton.

MAKE/ MODEL	ORDINARY CAPACITY
Ford Trucks & Vans	
F-150	½ ton capacity truck
F-250	3/4 ton capacity truck
F-350	1 ton capacity truck
F-450 & up	over 1 ton capacity truck
Ford Trucks & Vans	
E-150 van	½ ton capacity truck
E-250 van	3/4 ton capacity van
E-350 van	1 ton capacity van
E-450 van & up	over 1 ton capacity van
Chevrolet & GMC	
C or K 1500	½ ton capacity truck
C or K 2500	3/4 ton capacity truck
C or K 3500	1 ton capacity truck
C or K 4500 & up	over 1 ton capacity truck
Dodge Truck & Vans	
Ram 1500	½ ton capacity truck
Ram 2500	3/4 ton capacity truck
Ram 3500	1 ton capacity truck
Anything over a 3500	over 1 ton capacity truck or van

Disclaimer: *This reference sheet is to be used as a matter of general reference and is not always accurate, depending upon how the manufacturer has produced the vehicle. Heavy-duty trucks (sometimes noted with an HD) will have greater capacity than standard trucks. The best way to determine a vehicles's capacity and gross vehicle weight is to physically inspect the vehicle and look at the manufacturer's identification plate, which is typically found on the driver's side door jamb or door frame of the vehicle.*

C. Trailers Towed by Farm or Commercial Trucks

1. **Farm Trailers** – a policy providing liability insurance on a farm classed truck (non tractor-truck) will also extend liability to a farm trailer or other non-commercial trailer towed by the farm truck.

   A policy providing liability insurance on a farm classed tractor-truck will not apply to a farm trailer (semi-trailer) used with the tractor-truck. Each unit must be insured separately for liability coverage. The Company will not insure the tractor-truck without also insuring the trailer used with the tractor-truck.

   For Comprehensive and Collision coverages on farm trailers, the premium is the full amount shown in the truck rate section. The premium is based upon use of the trailer, year model, and original cost when new. Licensed boat trailers should be insured along with the boat and motor on an inland marine policy.

2. **Service or Utility Trailers** – Liability coverage does extend to a service or utility trailer from a private passenger automobile or pickup truck when the trailer is not used commercially or in a business. Coverages does not extend from the towing vehicle if the private passenger automobile or pickup truck is used commercially or for business, and the service or utility trailer is being used commercially or for business.

3. **Commercial Trailers and Trailers Towed by Commercially Classified Trucks** - Liability coverage does not extend to trailers towed by commercial rated trucks (Class Codes 4CA, 5CA, 8CA). *All commercial classified trailers or trailers towed by commercially classified trucks must be insured separately for liability coverage.* The premium is 25% of the premium applicable to the truck with which it is used. If the trailer is used with a tractor-truck, (Class codes 4CB, 5CB, 7CB, 8CB) the premium is 10% of the premium applicable to the tractor-truck. PIP Death Indemnity Coverage and Disability Income Coverage are not available for trailers.

   For Comprehensive and Collision coverages on commercial trailers or trailers towed by commercial trucks, the premium is the full amount shown in the truck section. The premium is based upon use of the trailer, year model and original cost when new.

D. Classifications/Examples

All trucks (other than pickup trucks) larger than 3/4 ton, and trailers used with such trucks, require a 4 digit classification code denoting three factors:

1. Use of Vehicle (1st Digit)

Numerical use classifications are based upon the use of the vehicle.

(a) Class Code 7

Farm trucks with a rated capacity of 1 ton or more used exclusively with the operation or maintenance of a farm. No truck can carry this class if it is used a single time to haul for pay, for hire, or over twelve (12) times a year over 100 miles (See Class Code 5). (The use of the truck in exchanging farm produce hauling with neighboring farmers shall not be considered as for hire.)

(b) Class Code 6

Pickup Trucks – See Auto Instructions section for instructions and Auto Rate section of the manual for rates on all pickup trucks. ("Pickup Truck" includes those with rating capacities of ½, ¾, or 1 ton.)

(c) Class Code 5

Trucks owned by a farmer, used in connection with the operation of his own farm and occasionally used to haul produce to market for other farmers for pay. Includes trucks owned by a farmer when used for transporting his own goods to market over 100 miles, but less then 300 miles. (Trucks with this type of usage and over 300 miles rate Class Code 4).

(d) Class Code 4

Trucks owned by individuals or business operations, and used for wholesale or retail delivery. May include trucks owned by farm co-ops, gins, feed, seed, fertilizer, dairy, fruit, vegetable dealers hauling his own goods. This class will not include those risks that haul or transport goods, materials, or commodities under contract for hire or for another. (These should be Class 8.) Usage will be confined to a radius of 300 miles (Trucks with this type of usage and Over 300 miles rate Class Code 8). All Class Code 4 long haul (over 100 miles) trucks will be "Standard" rated.

(e) Class Code 8

Commercial trucks used for hire. Such risks should be agri-related. These risks will be individuals, firms, or corporations that haul or transport goods, materials, or commodities for another. (Trial applications should be submitted on any business that would be rated Class Code 8.) All Class Code 8 trucks will be "Standard" rated. All commercial trucks must be rated Class Code 8 if they:

(1) operate over 300 miles from principal place of garaging;

(2) require a Public Service Commission filing; or

(3) regularly or frequently (12 times per year is frequently) operate into metropolitan areas of 100,000 or more population.

2. Size Type of Vehicle (2nd and 3rd digit)

(a) The following vehicles shall be rated size type CB (Code CB)

(1) Dual rear axle trucks

(2) Tractor trucks

(3) Tank trucks, with a capacity of over 1,400 gallons

(4) All "5th" wheel, "Helper Axle," or "overweight axle" trucks

(b) All other (self-propelled) units are rated size type CA (Code CA)

(c) Service trailers used with trucks rated size type CA, are size type CC (Code CC)

(d) Semi-trailers used with trucks rated size type CB, are size type CD (Code CD)

3. Radius of Use or Operation (4th Digit)

The following codes are to be applied according to the area in which the vehicle normally operates.

(a) **Local Haul (Code 1)** – Regular or frequent use within a radius of 100 miles from the principal place of garaging.

(b) **Long Distance Haul** – Regular or frequent use beyond a radius of 100 miles from the principal place of garaging.

(1) Radius Code – 2 indicates 100 to 300 miles

(2) Radius Code – 3 indicates 300 to 600 miles

(3) Radius Code – 4 indicates 600 and up miles.

The Long Haul and Local Haul rates are listed in the Truck Rates Section of the manual.

4. Large Truck Classification Examples

*** Submit a trial application before binding coverage on these or any long haul or non-agri related truck.**

(a)	**Building Contractor**		**Rate Class**
	Example:	With size type CA, mileage radius 1-100	4CA1
		With size type CA, mileage radius 300-600	8CA3*

(b)	**Cattle or Livestock Dealers, with trailer**		**Rate Class**
	Example:	With size type CB, mileage radius 100-300	4CB2
		Trailer size type CD	4CD2
		With size type CB, mileage radius 300-600	8CB3*
		Trailer size type CD	8CD3*

(c)	**Crop Dusters**		**Rate Class**
	Example:	With size type CB, mileage radius 0-300	4CB2

(d)	**Egg Dealers, with trailer**		**Rate Class**
	Example:	With size type CA, mileage radius 0-100	4CA1
		Trailer size type CC	4CC1
		With size type CA, mileage radius 300-600	8CA3*
		Trailer size type, CC	8CC3*

(e)	**Farmers**		**Rate Class**
	Example:	With size type CB, own farm use, mileage radius 0-100	7CB1
		With size type CB, farm use and used to haul farm produce to market for other farmers for pay, mileage radius, 300-600	4CB2

(f)	**Feed Dealers**		**Rate Class**
	Example:	With size type CB, mileage radius 1-100	4CB1
		With size type CB, mileage radius 300-600	8CB3*

(g)	**Fertilizer Dealers, with trailer**		**Rate Class**
	Example:	With size type CB, mileage radius 100-300	4CB2
		Trailer size type CD	4CD2
		With size type CB, mileage radius 300-600	8CB2*
		Trailer size type CD	8CD2*

(h)	**Grain Dealers**		**Rate Class**
	Example:	With size type CA, mileage radius 0-100	4CA1
		With size type CA, mileage radius 300-600	8CA3*

(i)	**Hay Dealers**		**Rate Class**
	Example:	With size type CB, mileage radius 100-300	4CB2
		With size type CB, mileage radius 300-600	8CB3*

(j)	**Livestock Dealers, (Horse, cattle, etc.)**		**Rate Class**
	Example:	With size type, CB, mileage radius 100-300	4CB2
		With size type CB, mileage radius 300-600	8CB3*

(k)	**Meat Dealers**		**Rate Class**
	Example:	With size type CA, mileage radius 0-100	4CA1
		With size type CA, mileage radius 300-600	8CB3*

(l)	**Milk Dealers and Dairy Processing Plants, House to House Delivery Only**		**Rate Class**
	Example:	With size type CB, mileage 0-100	4CB1
		With size type CB, mileage 300-600	8CB3*
		All Bulk Milk Tank Trucks	8*

(m)	**Nurserymen, with trailer**		**Rate Class**
	Example:	With size type CA, mileage 0-100	4CA1
		Trailer size type CC	4CC1
		With size type CA, mileage 300-600	8CA3*
		Trailer size type CC	8CC1*

*** Submit a trial application before binding coverage on these or any long haul or non-agri related trucks.**

XVII. POINT CALCULATION PROCEDURES FOR MOTORHOMES, RV'S, SCHOOL BUS, CHURCH BUS, LARGE TRUCKS, AND TRAILERS (09-01-2006)

For the above vehicle types, the Company may apply a standard rate or points on any acceptable new applicant or existing policyholder whose driving record includes related violations, chargeable accidents, frequent lapses, or NSF's during the 36 months immediately preceding the date of application or discovery. The Company may apply a standard rate or points on existing business for related chargeable accidents involving the policyholder or any other driver while operating an insured vehicle. Points are cumulative. Before binding coverage or quoting rates, the agent should read the **Unacceptable Risks section in the Auto Underwriting Guidelines.**

Violations and accidents may be calculated in the following manner:

1. Standard Rate or 0 Point Level

   Conviction of a minor violation such as speeding; failure to yield; following too close; running a stop sign, etc.

2. One point for the second minor violation or for the first chargeable accident.

   A chargeable accident is one which exceeds $750 in damages to any property, including the insured's, and/or bodily injury, or death during the preceding 36 month period.

3. If acceptable to Underwriting, two points shall be assigned for the following major violations:
   a) Careless, unsafe, negligent or hazardous driving.
   b) SR-22 form as evidence of financial responsibility.

4. If acceptable to Underwriting, five points shall be assigned for the following major violations:
   a) Reckless Driving;
   b) Driving while intoxicated or under the influence of drugs;
   c) Failure to stop and report when involved in any accident;
   d) Homicide or assault arising out of the operation of an automobile.
   e) Driving during a period while license is suspended or revoked.

NOTE: ***A NEW APPLICANT WITH A HISTORY OF VIOLATIONS WHICH INCLUDES A MAJOR VIOLATION IS UNACCEPTABLE*** (See **Underwriting Guidelines**)

Points are cumulative. When calculating points, start with the violation or accident which has the highest point value.

Please review the following examples:

Violations	Point to Apply
1. One speeding ticket	0 (Standard Rate)
2. Two speeding tickets	1
3. One speeding ticket and a chargeable accident in excess of $750 damages	2
4. Three speeding tickets	2
5. One reckless driving ticket	5

NOTE: THE POINT CALCULATION PROCEDURE APPLIES TO NEW AND EXISTING BUSINESS.

Exceptions: No point shall be assigned for an accident if the insured demonstrates that the accident occurred under the following circumstances:

1. Vehicle lawfully parked; or

2. Applicant or other operator residing in the same household or owner reimbursed by, or on behalf of, a person responsible for the accident or has a judgment against such person; or

3. Vehicle of an applicant or other operator residing in the same household struck in the rear by another vehicle, and the applicant or other resident operator has not been convicted of a moving traffic violation in connection with the accident; or

4. Operator of the other vehicle involved in such accident was convicted of a moving traffic violation and applicant or other resident operator so reports the accident to the proper authorities within twenty-four (24) hours.

Insureds with point levels above the Standard rate level because of accidents or violations, may be reduced to the Standard rate level after twelve (12) months, provided no new violations or accidents have occurred. These insureds may be reduced to the Preferred rate level after an additional twelve (12) months, provided no new violations or accidents have occurred. Other insureds may be reduced to the Preferred rate level only after the situation which caused them to be written at the Standard rate level has changed.

The underwriter will review the insured's lapse and NSF history before reducing the rate level to preferred. If either the lapse or NSF history is unacceptable, the rate level will remain at standard.

The rates listed in the Rate Section of the Manual are Preferred Rates. They are to be used for calculating both Preferred rates and Standard rates. The Preferred Rates must be adjusted for those applicants which are written at Standard Rates. The adjustment is based upon accumulated points as described in the Point Calculation Procedure and the Rate Section.

XVIII. FEDERAL MIGRANT AND SEASONAL AGRICULTURAL PROTECTION ACT (MSPA) (09-01-2006)

Applicants and insureds that hire or haul migrant or seasonal farm laborers may be subject to the Migrant and Seasonal Agricultural Protection Act (MSPA). Agents should not provide any legal advice as to whether the applicant or insured is subject to or exempt from the Act, but advise them to call the U.S. Department of Labor at 1-800-800-0235 or (501) 324-5436.

When an applicant or insured hires or hauls migrant or seasonal farm laborers, agents should advise the applicant or insured to contact the U.S. Department of Labor to determine whether they are exempt or non-exempt, then ask their underwriter for assistance in handling the account.

INSURANCE REQUIREMENTS FOR NON-EXEMPT PERSONS

1. When a non-exempt agricultural employer or agricultural association furnishes transportation for agricultural workers who are not covered by a workers' compensation policy, the following automobile liability limits are applicable:

	Minimum Required Coverage	**Maximum Required Coverage**
Bodily Injury Liability	Based on seating capacity $100,000 per passenger	$5 million regardless of seating capacity
Property Damage Liability	$50,000	$50,000

2. A non-exempt agricultural employer or agricultural association must provide a workers' compensation policy to cover migrant and seasonal workers against losses that are not covered by an automobile policy.

   If workers are transported by automobile, minimum property damage limits are $50,000 under the auto policy.

   The maximum liability limits that will be written under an auto policy for a non-exempt risk are 500/500/200. Higher limits required to satisfy Department of Labor requirements must be insured under an umbrella policy or by facultative reinsurance.

3. Other underwriting requirements:

   A. The applicant or insured must:

      1) be a full-time farmer.
      2) have his or her account with Southern Farm Bureau Casualty Insurance Company and the long-term loss ratio must be profitable.
      3) employ only vehicle operators (automobiles and farm vehicles) who have excellent driving records; and,
      4) not be a labor contractor nor haul farm laborers for anyone other than his or her own operations.

XIX. ARKANSAS TERRITORIES (01-15-2004)

The Territory Code for rating purposes is the code applicable to the territory in which the automobile is principally garaged regardless of the mailing address shown on the policy.

Territorial rating applies to liability, medical, comprehensive and collision coverages and only to passenger cars and pickups. It is absolutely necessary that all policies, regardless of classification, be properly coded by territory for statistical purposes.

Servicemen and all other residing out of state will be rated in Territory 1.

Territory Code	County
1	Pulaski, Out of State
2	Crittenden
6	Union
7	Crawford
9	Benton & Washington
10	Franklin and Sebastian
11	Miller
12	Bradley, Calhoun, Clark, Cleveland, Columbia, Dallas, Hempstead, Howard, Lafayette, Little River, Montgomery, Nevada, Ouachita, Pike, Polk, and Sevier
13	Ashley, Chicot, Desha, Drew, Lincoln and Phillips
14	Garland, Grant, and Hot Spring
15	Conway, Faulkner, Lonoke, Perry and Saline
16	Jefferson
17	Craighead, Cross, Lee, Mississippi, Poinsett, and St. Francis
18	Arkansas, Clay, Cleburne, Fulton, Greene, Independence, Izard, Jackson, Lawrence, Monroe, Pririe, Randolph, Sharp, Stone, White, and Woodruff
19	Baxter, Boone, Carroll, Johnson, Logan, Madison, Marion, Newton, Pope, Scott, Searcy, Van Buren, and Yell

XX. INSTALLMENT BILLING SYSTEM FOR MULTI-VEHICLE POLICY (07-15-1999)

Multi-Vehicle policyholders have the option to pay their new and renewal premium by payment mode: full term (semi-annual or annual) or quarterly. If quarterly payments are desired, please remember the following:

1. On new MV business, mark the MV box, Semi-Annual Term box and Install Pay Mode.

2. The minimum premium for installment billing is $100 for a semi-annual policy.

3. Renewal billing will be 35 days in advance of the expiration date. The premium due date will be the policy expiration date. If the premium is unpaid two days after the due date (or the expiration date), a cancellation reminder notice will be mailed to the policyholder. The renewal billing notice states that coverage will expire 12:01 on the date due; therefore, there is not a grace period.

4. Any premiums due from changes made on the policy will be combined with the next installment billing notice if the change is made within 50 days of the next installment. If the change is made more than 50 days prior to the next installment, the entire amount of the premium due from the change must be paid and will not be included in the next installment.

5. The billing mode may not be changed during the policy term.

XXI. TRAVEL OUTSIDE THE UNITED STATES (07-15-1999)

Coverage applies to automobile accidents occurring in the United States and its territories and possessions, Canada, or between their ports.

A. **Travel in Canada** – Upon request, a Canadian non-residence card showing proof of liability insurance will be issued to any policyholder planning to travel in Canada. This card is mandatory before crossing the Canadian border unless the policyholder purchases Canadian insurance. There is no charge for this card. The Company guarantees that the policy limits meet the insurance requirements of Canada.

B. **Travel in Mexico** – The automobile policy does not extend any coverage to the policyholder while in Mexico. For coverage, the policyholder will be required to purchase a policy before crossing the border into Mexico.