

# Florida

## Motorcycle Product Guide



Safeco Insurance Company of Illinois



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October 25, 2007

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Operator Eligibility; Ineligible Operators rule clarified 14

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## Binding Authority

All applications are to be completed within five days of the effective date on the application. There are certain situations that pose such significant risk that binding authority is immediately suspended. These situations include, but are not limited to the following.

### Earthquake

In the event of an earthquake in excess of 5.0 on the Richter scale, no coverage may be bound on new business or by endorsement to in-force policies for 10 days following the initial shock. A formal written notice will be issued if the moratorium is lifted sooner than or extended beyond 10 days due to continued aftershocks.

### Severe Weather

No coverage may be bound if the National Weather Service has issued a severe weather warning for the area for the duration of the warning. This includes, but is not necessarily limited to, warnings for rain, wind, flood, snow, ice, tornado or hurricane.

### Other Catastrophes

In the event of a natural or man-made catastrophe, no coverage may be bound on new business or by endorsement to in-force policies for five days. This includes, but is not necessarily limited to, such events as fire, windstorm, hail storm, flooding or hurricane.

In addition, we reserve the right to suspend binding authority as we deem appropriate. You will be notified in writing when this has occurred.

## Tier Placement

### New Business

(Amended: 05/17/07)

Our Safeco Now™ rating program determines the best possible tier placement for your customer using available information, including years of motorcycle ownership or insurance, financial responsibility and operator age.

Calculating years of motorcycle ownership or insurance is based on a calendar year. Any part of a year provides one calendar year (for example: A vehicle purchased on May 1, 2005 and sold on September 1, 2005.) An annual term policy will provide two calendar years (for example: An annual term policy issued March 1, 2005 through March 1, 2006 will be given credit for 2005 and 2006.)

### Automatic Remarketing

Upon renewal, we review your customer's policy and adjust it accordingly for both years of motorcycle ownership or insurance and operator age. This practice will allow your customer to receive lower rates if they qualify.

## Vehicle Eligibility

### Garaging Address

Entering the address where the vehicle is principally garaged will allow the system to automatically assign the proper territory and rating factor.

For students with a vehicle away from home, you should rate the vehicle at the policyholder's principal garaging address.

### Model Year

The original motorcycle or all-terrain vehicle (ATV) manufacturer assigns the model year. If the vehicle is rebuilt or structurally altered, the model year of the chassis determines the model year of the vehicle.

### Ineligible Vehicles

(Amended: 01/11/07)

All motorcycle types owned by a named insured are eligible for participation in our motorcycle program except for the following:

- motorcycles rented or leased to others;

- motorcycles used for business purposes or commercial purposes including pick-up or delivery of goods, funerals or escort service;
- motorcycles to be used for racing or speed contests;
- motorcycles containing nitrous oxide kits;
- motorcycles with front fork extension greater than six inches over original manufacturer's length;
- motorcycles with handle bar extension greater than six inches over original manufacturer's length;
- dune buggies, snowmobiles and go-carts;
- three-wheel ATVs;
- physical damage only policies;
- motorcycles on a consignment lot;
- motorcycles not fully assembled or individual parts;
- motorcycles with more than one owner other than family members residing in the same household;

- previously totaled vehicles or vehicles with salvage titles are not eligible for physical damage coverage.

## Vehicle Type Rating

Motorcycle or ATV vehicle type (symbols) will be assigned at the point of sale by the rating software. For new models or model years which are not currently listed select “new model” and fill in the “model” field with the vehicle description.

## Stated Amount Rated Vehicles

Stated amount vehicles are vehicles requiring physical damage coverage that fall into the limited production cruiser vehicle type classification or all vehicles 25 years of age or older.

Limited production cruiser’s maximum insurable amount is \$40,000. For vehicles 25 years of age or older, the maximum insurable amount is \$20,000. Any itemized custom parts and equipment for a vehicle applies towards the maximum insurable amount for the vehicle.

Physical damage coverage on stated amount vehicles provides coverage up to the lesser of actual cash value

or the stated amount specified by your customer. It is your customer’s responsibility to update the stated amount of the vehicle.

## Vehicle Type

### Cruiser



A two-wheeled motorcycle which consists of a full view engine, upright operator seating position with extended or pull back handlebars and forward mounted foot controls (for example: Suzuki Intruder, Harley Davidson FX series, Honda Shadow and Yamaha V-Star).

### Tour



A two-wheeled motorcycle comprised of large fairings, luggage compartments, audio systems, etc. to increase rider comfort over long distance travel (for example: Honda Goldwing, Harley Davidson – FL Series).

### Tour Sport



Combines sport aerodynamic styling with long distance touring features (for example: Honda ST1100).



## Standard



A basic motorcycle which usually features upright seating for one or two passengers. This is a catchall category for all street legal motorcycles that do not fall into any of the other classes and do not require stated amount rating (for example: Honda Nighthawk).

## Sport Bike



Less aerodynamic than the super sport classification. Often referred to as “naked” or as a bike with a half fairing (for example: Yamaha Seca).

## Super Sport



Incorporates racing developed technology along with full fairings and aerodynamic styling (for example: Honda CBR – all models).

## Dual



A two-wheeled motorcycle designed for off-road use and equipped as street legal.

## Off-Road



A two-wheeled motorcycle designed for off-road use and not street legal.

## All-terrain Vehicle (ATV)



Four- or six-wheeled vehicle equipped with an engine and designed for off-road use.

## Scooter or Mopeds



A two-wheeled vehicle with small wheels and a low-powered gasoline engine geared to the rear wheel, or a lightweight motorized bicycle that can be pedaled as well as driven by a low powered gasoline engine.

## Homemade or Kit Bikes

Any motorcycle constructed or assembled including, but not limited to:

- non-factory built;
- built from kit;
- after-market frame;
- been rebuilt;
- re-titled;
- salvaged;
- has a non-factory engine case;
- any motorcycle with a state assigned vehicle identification number (VIN).

Physical damage is not available for these motorcycles.

## Trikes

Must be a motorcycle converted to a three-wheeled vehicle with a trike conversion kit.

Kit must be produced by: Lehman Trikes, Motor Trike, The Trike Shop, California Sidecar, D.F.T., Tri-Wing Industries or Champion Sidecars.

In addition:

- the vehicle must have the original motorcycle manufacturer's engine;
- the vehicle may not have any front fork modifications;
- the trike conversion kit must be listed under Custom Parts and Equipment and a separate premium paid.

(See [Verification](#) requirements.)

## Limited Production Cruiser

Any non-Harley limited production cruiser (for example: Boss Hoss, Surgical Steeds, Pure Steel, American Ironhorse). Physical damage coverage will be rated as stated amount. Maximum insurable amount is \$40,000.

## Electric

Any two-wheeled vehicle powered by a small electric engine.

Segway is included in this classification.

## Golf Carts

(Amended: 03/15/07)

- Used for golfing purposes
- Licensed for road use acceptable if use limited to streets within a retirement community or to and from golf course

- Individually owned - no corporate/company/commercial ownership or use
- Standard performance only
- Secure storage preferred

## Operator Eligibility

### Driver Classification

Operators are classified by age, sex and marital status.

- Age means the age attained on the last birthday.
- Married means a married person living with his or her spouse and meets the local statutory definition of married.
- Resident means anyone residing in the same household except an individual in active military service with the armed forces of the United States of America shall not be considered a resident in the household unless such individual customarily operates the motorcycles or ATVs.

### Operator and Vehicle Assignment

Our rating system will assign operators to vehicles automatically. You are required to list all operators of the described motorcycles or ATVs. In addition, indicate those operators who are restricted to “dirt” motorcycles or ATVs.

### Household Members

All operators of the described vehicles within the household must be listed for coverage to apply. Only household members are eligible for rated coverage.

### Ineligible Operators

(Amended: 10/25/07)

The following operators are ineligible for insurance:

- Operators with a canceled, revoked or suspended license
- Operators of “street” or “dual” motorcycles who do not have a valid motorcycle endorsed U.S. or Canadian driver’s license
- Operators of “dirt” motorcycles or ATVs (not licensed for road use) who are not at least 14 years of age
- Operators of “dirt” motorcycles or ATVs (not licensed for road use) who are 16 years old or older that do not have a valid U.S. or Canadian driver’s license

- Operators who are not permanent residents (10-month intended stay) of the rating state
- Operators who do not have a permanent in-state garaging address
- Any applicant who has been convicted of insurance fraud
- Any applicant who has more than six minors, two majors and three at-fault accidents within the **experience period**. If the insured has more activity in any category, the risk becomes unacceptable. For instance, seven minor violations would not be acceptable, even if there is no activity in the other categories.
- Any applicant who requires an SR-22 filing
- Operators who are not permanent residents of the named insured's household

## Driving Record

### Unverifiable Driving Record

Any operator with a U.S. driver's license whose driving record cannot be verified by the licensing state's licensing authority will be assessed a major violation surcharge.

The charge will be removed if a valid motor vehicle record (MVR), covering the complete chargeable period, is received within 30 days of policy inception. If received after 30 days, the points will be removed as of the date proof was received. Lack of verification by the end of the policy term will result in non-renewal.

### Accidents and Violations

(Amended: 12/01/05)

All driving record activity must be shown on the application. Comprehensive Loss Underwriting Exchange (CLUE) reports and motor vehicle records (MVRs) will be utilized to verify the information provided. Please stress the importance of full disclosure to avoid additional premium or policy cancellation.

Any unrevealed driving activity will be added to the driving record and the policy will be re-rated accordingly.

Point charges are based on the violation date and, when multiple points are applicable to one occurrence, only the accident or violation with the highest points will be charged.

### At-Fault Accidents

At-fault accidents which result in any bodily injury or a property damage payment equal to or greater than \$750 will result in a merit surcharge.

### Not At-Fault Accidents

Not at-fault accidents do not receive a merit surcharge. Some examples of not at-fault accidents are outlined in the [Driving Record Charges](#) section of this product guide.

## Driving Record Charges

Point descriptions and values are shown on our rating system and are assessed to the operator as follows:

### Violations

Violation Type	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup> or more
	All Products			
Minor*	2	2	4	4
Major or DWI†	5	5	5‡	5‡
Speeding	2	2	4	4
Accident not at-fault	0	0	0	0
Accident at-fault	3	3	3	3‡
Unverifiable License	5	NA	NA	NA

\* Example: bus, car pool or HOV lane violation

† Example: aggravated assault with a vehicle

‡ Not available for new business

The experience period is 36 months prior to the effective date of the policy.

Points shall be assigned for chargeable occurrences involving the applicant, or any operator of the motorcycle or ATV currently a resident in the same household, while operating any vehicle.

Accidents are chargeable unless proof of not at-fault is provided. Such proof should establish that the accident in question:

- was not caused by or significantly contributed to by the actions of your customer; or
- was less than 50 percent of your customer's fault. Proper proof includes:
  - a copy of the police report or court documentation; or
  - a letter from the previous carrier; or
  - any other documentation which proves lack of fault.
- involved a vehicle that was lawfully parked;
- was caused by collision with a bird or animal;



- involved a vehicle that was struck by a “hit-and-run” driver and the accident was reported to the proper authorities within 72 hours;
- involved a non-rated operator who was convicted of a moving violation in connection with the accident;
- resulted in one judgment or reimbursement obtained from other party, providing the company makes no liability payment on behalf of your customer;
- involved a vehicle stopped at a stop sign or traffic light when it was rear-ended by another vehicle, or the rated operator was clearly not at fault;
- involved physical damage, limited to and caused by, flying gravel, missiles or falling objects;
- resulted in reimbursement to the owner or operator of your customer’s vehicle (or judgment against another) of more than 50 percent of the property damage.

Minor violations will be handled in accordance with Florida Statute 626.9541(1)(o)(4a).

## Coverage Options

Coverage descriptions are for informational purposes only. Please refer to the policy for actual coverage descriptions.

### Liability Coverages

	Limits
<b>Bodily Injury Liability Limits</b> (in thousands)	10/20 25/50 50/100 100/300 250/500
<b>Property Damage Liability Limits</b> (in thousands)	10 25 50 100
<b>Guest Passenger Limits</b> (in thousands)	10/20 25/50 50/100 100/300 250/500 300 500
<b>Combined Single Limit of Liability</b> (in thousands)	300 500

	Limits
<b>Medical Payments Coverage Limits</b>	\$ 1,000 2,500 5,000 10,000
<b>Stacked Uninsured Motorists Limits</b> (in thousands)	10/20 25/50 50/100 100/300 250/500 300 500
<b>Non-Stacked Uninsured Motorists Limits</b> (in thousands)	10/20 25/50 50/100 100/300 250/500 300 500

**Physical Damage Coverages**

	Limits
<b>Comprehensive Physical Damage Coverage Deductibles</b>	\$ 100 250 500 1,000
<b>Collision Physical Damage Coverage Deductibles</b>	\$ 100 250 500 1,000
<b>Custom Parts and Equipment Coverage</b>	Up to \$10,000
<b>Safety Riding Apparel Coverage</b>	Up to \$1,000 per person
<b>Roadside Assistance Package</b>	\$300

**Bodily Injury Liability**

Bodily injury is a mandatory coverage. Each vehicle on the policy must carry the same bodily injury limits. (See [Liability Coverages](#) table.)

**Property Damage Liability**

Property damage is a mandatory coverage. Each vehicle on the policy must carry the same property damage limits. (See [Liability Coverages](#) table.)

**Guest Passenger**

Guest passenger coverage is a mandatory coverage for street motorcycles. Limits must be the same as bodily injury. This is an optional coverage for all “dirt” vehicles. If guest passenger is selected for any dirt vehicle it must be selected for all vehicles on the policy. (See [Liability Coverages](#) table.)

**Combined Single Limit**

Combined single limit is a single limit of liability that applies to bodily injury and property damage with no per person or property damage sublimit. Uninsured motorists and guest passenger are not included in combined single limit but may be purchased separately. (See [Liability Coverages](#) table.)

**Medical Payments**

Medical payments is an optional coverage. Each vehicle on the policy must carry the same limit of medical payments. (See [Liability Coverages](#) table.)

## Uninsured Motorists

This coverage:

- is a required coverage on all street vehicles;
- limits may not exceed the bodily injury limits;
- is applied to all street motorcycles unless specifically rejected in writing by your customer;
- limits must be the same on all street motorcycles on the policy;
- is an optional coverage for all “dirt” vehicles;
- if selected for one “dirt” vehicle it must be selected for all vehicles on the policy;
- limits are stacked unless specified otherwise by your customer and signed in writing.

(See [Liability Coverages](#) table.)

## Physical Damage Coverage

Comprehensive and collision deductibles may be different.

Collision coverage is not available without comprehensive coverage.

No physical damage only policies will be written.

Deductible levels do not have to be the same on a multi-vehicle policy.

Previously totaled vehicles or vehicles with salvage titles are not eligible for physical damage coverage.

(See [Physical Damage Coverages](#) table.)

## Custom Parts and Equipment Coverage

(Amended: 03/15/07)

Custom parts and equipment covers after-market non-original factory installed equipment, devices, accessories, enhancements and changes which alter the appearance or performance of the motorcycle or ATV.

This will include, but is not limited to:

- Any electronic equipment that is permanently installed using bolts or brackets

- Sidecars
- Trike conversion kits
- Trailers to be pulled behind the motorcycle or ATV
- Custom paint, exhaust or plating

Safety riding apparel in excess of \$1,000 per person must be specifically listed on the custom parts and equipment coverage form. Safety apparel is not covered under the peril of theft.

Coverage will not apply unless the custom parts and equipment are declared by itemization on the new business application or endorsement. Newly purchased custom parts and equipment must be endorsed onto the policy within 30 days of purchase for coverage to apply. It is strongly recommended to maintain proof of purchase and value documentation to assist in loss settlement.

Comprehensive and collision coverages must be present. Deductibles are the same as physical damage deductibles. The deductible is waived on loss to safety apparel due to a covered peril.

In addition to the \$1,000 in Safety Riding apparel coverage per person the first \$3,000 (per vehicle) of itemized custom parts and equipment is covered at no extra premium. Itemization is required on the new business application or policy endorsement. There is a \$2,000 maximum limit per vehicle for custom paint. The maximum insurable amount for custom parts and equipment is \$10,000 per vehicle.  
(See [Physical Damage Coverages](#) table.)

### Safety Riding Apparel Coverage

(Amended: 01/11/07)

We will include, at no additional premium, up to \$1,000 per person for loss to safety riding apparel resulting from collision while occupying your covered motorcycle.

There is a \$500 maximum limit per helmet.

No deductible applies to loss under this coverage.

Additional safety riding apparel in excess of \$1,000 may be declared under the custom parts or equipment coverage. (See [Physical Damage Coverages](#) table.)

## Roadside Assistance Package

In order to qualify, comprehensive and collision coverage must be present.

Roadside assistance package provides:

- towing expense to the nearest qualified repair facility;
- labor at the time and place of disablement due to:
  - electrical or mechanical breakdown;
  - dead battery;
  - flat tire;
  - lack of essential fluids (fuel, oil, water or other fluid).
- trip charges.

Trailers being towed by motorcycle or ATV will also be covered. (See [Physical Damage Coverages](#) table.)

The maximum occurrence limit is \$300.

## Minimum Written Premium

Per Policy
\$100

## Surcharges

### **Structural or Performance Modification**

A 50 percent surcharge will apply to all coverages, excluding roadside assistance, when the performance of the motorcycle has been enhanced through the addition of a turbo kit or when any structural modification or physical alteration of the frame has occurred.

## Discounts

### Motorcycle Safety Foundation Discount

A motorcycle safety foundation course or instructor:

- must have a certificate verifying completion of a course or an instructor certificate within the past three years;
- credit will continue up to three years after completion date;
- discount of 5 percent applies to bodily injury and property damage.

(See **Verification** requirements.) or

### Multi-Cycle Discount

A 15 percent discount will apply to all coverages, excluding roadside assistance, if the policy contains more than one motorcycle or ATV.

### Companion Policy Discount

Any supporting Safeco® personal lines property and casualty insurance product for the named insured reduces all coverages, excluding roadside assistance, by 5 percent.

### Association Discount

Association in any of the below listed groups will receive a 5 percent discount in bodily injury and property damage. This discount will only be applied once, regardless of number of associations.

- American Motorcycle Association (AMA)
- BMW Motorcycle Owners of America (BMWMOA)
- Gold Wing Touring Association (GWTA)
- Harley Owners Group (HOG)
- Motorcycle Safety Foundation (MSF)
- Honda Riders Club of America (HRCA)
- Venture Touring Society (VTS)



- Women on Wheels (WOW)
- Buell Riders Adventure Group (BRAG)
- Riders Association of Triumph (RAT)

(See [Verification](#) requirements.)

## Prior Insurance Discount

When the criteria listed below are met a 5 percent discount will apply to all coverages, excluding roadside assistance:

- continuous motorcycle insurance in the previous 12 months;
- up to a five-day gap between the effective date of our policy and the prior insurance expiration date is allowable.

(See [Verification](#) requirements.)

## Homeowner's Discount

(Amended: 07/06/06)

A 20 percent discount will apply to all coverages, excluding roadside assistance, if your customer's primary residence is a single-family residence,

townhouse, condominium or mobile home owned and resided in by the named insured or spouse. (See [Verification](#) requirements.)

## Garaging Discount

A 5 percent credit will apply to comprehensive coverage when the motorcycle or ATV is locked in a secured structure overnight.

## Paid In Full Discount

A 5 percent credit will apply towards all coverages when the policy term premium is paid in full at inception or renewal. Installment payments will be offered at renewal, but the discount will be deleted if not paid in full. This discount will not count towards the maximum policy discount.

## Maximum Discount

The maximum discount for any coverage will be 35 percent. Paid in full discount will not be included towards this maximum limit.

## Verification

(Amended: 05/17/07)

Verification of prior insurance, motorcycle safety foundation discounts, homeowner's and association are required.

When a policy has been selected for verification, you will receive a screen message instructing you to print the fax verification sheet as part of the print package. Complete the form and fax it to us (Safeco) along with any requested documents.

Fax these items immediately whenever possible. If verification is not received within 20 calendar days of the request or 42 days after the policy inception, whichever is sooner, we will re-rate the policy accordingly.

### Prior Insurance Coverage

Our rating program will prompt you for the carrier name and policy number of the named insured's prior motorcycle insurance policy.

Acceptable proof documents include any of the following:

- declarations page or renewal quote from the prior motorcycle carrier;
- company-issued identification (ID) cards from the prior motorcycle carrier (agent-issued ID cards are not acceptable);
- cancellation notice;
- non-renewal notice;
- printouts of prior motorcycle coverage from an agency management system.

The named insured on the new policy must be the named insured on the prior policy or a listed driver on the prior policy.

## Motorcycle Safety Foundation Course or Instructor

Acceptable proof documents include a completion certificate.

The credit will drop three years after the completion date on the certificate unless recertified prior to the next policy period.

## Association

Membership in an approved motorcycle association group.

Acceptable proof documents include any of the following:

- membership card;
- other appropriate membership documentation.

## Trikes

Conversion package verification required on all trikes. All of the following proof documents are required:

- photos showing both sides of the trike;

- copy of the title;
- receipts substantiating value or conversion manufacturer.

Failure to send in all of the above information within our **verification time frame** may result in the removal of coverage.

## Physical Damage Verification

When physical damage coverage is requested for limited production cruisers and motorcycles 25 years old or older which are new to the policy, the following verification must be faxed to us (Safeco), subject to the **verification time frame**:

- photos showing both sides of the bike;
- copy of the title;
- receipts substantiating value or dealer appraisal.

Failure to send in the above information may result in the removal of physical damage coverage.

### Homeowner's

Acceptable proof includes:

- deed of trust;
- mortgage payment coupon;
- property tax statement showing the same named insured (or spouse) and address as the motorcycle policy;
- current homeowner or mobile homeowner declarations page showing the named insured and policy period.

## Policy Changes

### Endorsements or Changes on Policies

Additional coverage will be afforded by endorsement and will run concurrently with the policy term. The addition of coverage will not alter the premium due date of the term during which the additional coverage is attached or affect the premium due date of the policy term.

When additional coverage is added the rate for the added coverage will be prorated for the number of days the added coverage is to run from its effective date to the next ensuing premium due date.

If the policy has already been billed for the next term when the endorsement is processed the charge for the additional coverage will be computed from the effective date of the change to the end of the next term.

The policy coverage as written is automatically renewable on the premium due date for successive periods by payment of required premiums.

### Fifth-Vehicle Policies

Fifth-vehicle policies are input by a company operator. Please contact the [service center](#) for assistance.

## Cancellation and Continuing with a Lapse

### Cancellation

There will be no minimum earned premium.

All customer requested cancellations will be computed 90 percent pro-rata.

Cancels requested by us, including non-payment of premium, will be computed pro-rata.

### Continuing with a Lapse

If a payment is postmarked or is received by us within 60 days of the cancellation, a policy may be eligible to continue with a lapse in coverage.

The new term begin date will be effective the time and day the coverage is bound by you or the day after the postmark, whichever is earlier.

### Waiver of Returned Premium

We will compute any additional or return premium pro rata. Additional or return premium of \$3 or less will be waived unless specifically requested by your customer.

If additional premium is due, we will bill your customer with instructions to pay the additional premium directly to us (Safeco). Return premium checks will be issued by us and sent to your customer.

### Policy Term

Policies are issued with a one-year term.