



**PENNSYLVANIA  
AGENT'S MANUAL**

**AMERICAN INDEPENDENT INSURANCE COMPANY**

**SUITE 300, 1000 RIVER ROAD, CONSHOHOCKEN, PA 19428  
(610) 832-4940 ■ FAX (877) 791-2442**



## **AMERICAN INDEPENDENT INSURANCE COMPANY**

American Independent Insurance Company (AIICO) has been providing a wide array of quality insurance products and services since 1938. You as an AIICO agent have the competitive advantage of being able to offer your customers affordable rates with low down payments and monthly billing. You also have the option of tailoring your customer's coverage to their specific needs with a menu of supplementary personal auto coverages with varied coverage levels, variable term policies, and flexible payment plans.

We at AIICO hope that you utilize this manual to further familiarize yourself with our company. Our view is that you are our partner. We show that through our commitment to the independent agency system. Together we can be successful while providing our customers with quality insurance protection at affordable rates.

TravelMaster will allow you to offer affordable personal auto ancillary coverages without the requirement of prerequisite cost prohibitive coverages. TravelMaster can be sold to your existing American Independent Insurance Company customers, at discounted rates, as well as your customers insured with other preferred, standard, and nonstandard personal auto carriers.

**IMPORTANT PHONE NUMBERS**

CUSTOMER SERVICE.....	1-800-954-2442
CUSTOMER SERVICE (Phila. area) .....	1-610-832-4940
FAX ENDORSEMENTS.....	1-877-791-2442
24 HOUR CLAIMS REPORTING.....	1-800-954-2442 #2
AUTOMATED BILLING INQUIRY SERVICE.....	1-800-954-2442 #1
SUPPLY REQUEST - PHONE (x8425).....	1-800-954-2442
SUPPLY REQUEST - FAX .....	1-610-832-1307

**IMPORTANT CONTACTS**

Agency Services.....	Jane Yost, ext. 8445
Internet site.....	Diane M. Schwarztrauber, ext. 8026
Commissions.....	Sally Carney, ext. 8425
Underwriting questions.....	Jane Yost, ext. 8445
Bounced Checks.....	Jane Yost, ext. 8445
Bank (ACH) Transfers.....	Jane Yost, ext. 8445
Supervisors.....	Customer Service ..... Debbie Hatfield, ext. 8558
	Underwriting..... Jane Yost, ext. 8445
	Processing.....Jane Yost, ext. 8445
Operations Manager.....	Tom George, ext. 8470

**MAIL CORRESPONDENCE TO:**

(Please do not submit payments to this address. It will slow processing.)

American Independent Insurance Co.  
PO Box 3000  
Plymouth Meeting, PA 19462

**MAIL PAYMENTS TO:**

(Please submit only payments to this address.)

AIS  
P.O. Box 42526  
Philadelphia, PA 19101

## **INTERNET SITE – [www.aiico.com](http://www.aiico.com)**

Our internet site will give you a secure connection to quote policies, write new business, send endorsements, and view detailed information on all of your insured's policies, twenty-four hours a day, seven days a week. You will be provided with a training manual along with your agency's unique username and password. Finding a policy is quick and easy with a variety of search options including: policy number, name, license number, and VIN number. You will have direct access the most current information including:

- Quoting policies
- New Business Upload
- Payment Upload
- Upload Reporting
- Endorsement Quoting and Real Time Endorsements
- Policy status
- Payment and billing information
- Policy transaction history
- Commission Reports
- Operator information
- Vehicle information
- Claims information
- AIICO news

### **AUTOMATED BILLING INQUIRY**

**1(800) 954-2442 #1**

**1(610) 832-4940 in the Philadelphia Area**

Our automated billing inquiry gives you access to information on billing and policy information twenty-four hours a day seven days a week. At any time you can easily and quickly obtain information via your touch-tone telephone. You will ***need the policy number and the zip code of the customer***. The information available depending upon policy status is as follows:

- Policyholder's name
- Policy number
- Number of vehicles currently on the policy
- Amount due
- Current payment due date
- Date bill sent
- Outstanding balance
- Amount of and date of last payment received
- Renewal date, if applicable
- Cancellation/expiration effective date, if applicable
- Reason for cancellation, if applicable
- Agent name and phone number

### **CLAIMS REPORTING: 1-800-954-2442 #2**

If an insured or claimant contacts your office to report a loss, **PLEASE ADVISE THE INSURED OR CLAIMANT TO CALL AIICO DIRECTLY**. Insureds can report claims 24 hours a day, seven days a week.

**APPLICATION**

All new business must be submitted via our website.

**BINDING AUTHORITY**

Coverage on the original application will be bound as of the date and time the applicant signs the application if:

1. The risk is not designated as unacceptable in the current Underwriting Rules.
2. The application is fully complete in all respects.
3. The down payment is submitted with the application.
4. Drivers' License numbers and valid telephone numbers are on the application for all operators.

**AGENT DUTIES**

The agent's duty to the insured includes explaining the following:

1. Rate the risk based on all applicable underwriting characteristics and/or guidelines.
2. The requirements for obtaining coverage on replacement and additional vehicles.
3. Discounts may apply to this program.
4. All claims are to be reported immediately to AIICO.

## **CANCELLATIONS**

The policy may be canceled either by the Company or at the request of the insured in accordance with the cancellation provisions of the policy. Cancellation, whether by the Company or the policyholder, shall not affect any valid claim originating prior to the effective date of cancellation. Return premium shall be computed pro rata. If the cancellation is requested by the insured, a Cancellation Fee shall apply. Non-payment of premium is considered insured request cancellations.

Policies submitted with misrepresentation of material information necessary to rate and issue the policy will be rescinded if the policy has been in effect for less than sixty (60) days.

Policies in effect for sixty (60) days or more may be rescinded if the following criteria are met.

- a. There must be intentional material misrepresentation by the insured.
- b. Such misrepresentation could not have reasonably been discovered in less than 60 days.
- c. The undisclosed information would have prompted the Company to refuse acceptance of the risk.

Only those coverages relating to the actual perpetrator of the fraud or misrepresentation will be rescinded.

Policies in effect for less than sixty (60) days with an insufficient funds fee check on the down payment will be null and void.

Exceptions - compute the return premium on a prorated basis in the following cases:

1. If the insured has disposed of the insured vehicle and takes out a new policy with the same company on another vehicle to become effective within thirty days of the date of cancellation.
2. If the insured's vehicle is repossessed under terms of a financing agreement.
3. In a multi-car situation, if one vehicle is canceled from the policy and the policy remains in force on other vehicles.
4. If the insured enters the armed forces of the United States of America.
5. If the insured vehicle is stolen or destroyed (total or constructive loss) and cancellation is requested by the insured
  - a. within 30 days following the date the vehicle is stolen or destroyed, or
  - b. within 15 days of the time the vehicle was determined by the company
    - i. to be unrecoverable if stolen, or
    - ii. to be a total or constructive loss
6. If a vehicle or form of coverage is canceled from a policy and the policy remains in force..

## **REINSTATEMENTS**

A policy which has expired or been terminated by cancellation may be reinstated by payment of the necessary premium and completion of any required forms if the risk is acceptable to the Company.

## **CHANGES AND ENDORSEMENTS**

- A. All changes requiring premium adjustments shall be computed pro rata.
  
- B. Mid-term endorsements adding or replacing a vehicle shall be made as follows:
  - 1. Endorsements adding a vehicle to the policy or replacing one vehicle with another will be made using the rules and rates in effect at the policy inception or latest renewal date.
  - 2. All other endorsements will be made using the rules and rates in effect at the policy inception or latest renewal date.
  - 3. Endorsement requests for the following will be effective at 12:01 a.m. on the day after the postmark date:
    - a. Changing current policy coverage limits or options
    - b. Adding a coverage to a vehicle
  
- C. Adjustments of \$5 or less:
  - 1. If an outstanding policy is amended and results in a premium adjustment of \$5 or less, the amount:
    - a. may be waived or may be made subject to a minimum of \$5
    - b. The actual return premium shall be returned at the request of the insured.
  - 2. Minimum premium of \$5 applies if an insured requests the following during the policy period:
    - a) addition of coverage
    - b) change in limits
  - 3. The Company need not refund a return premium of less than \$5 if the insured requests the following:
    - b) cancellation of coverage,
    - c) reduction of limits

## **RENEWALS**

Thirty days prior to the expiration a renewal offer will be sent to your customer. If no response is received from the customer, it is presumed that the insured has declined our coverage offer for the next term.



## **UNDERWRITING GUIDELINES**

### **UNACCEPTABLE RISKS**

**All risks are subject to final underwriting approval by the Company. No agent may bind the Company on an Unacceptable Risk, a risk with an Unacceptable Operator, a risk with an Unacceptable Vehicle, or a risk with an Unacceptable Vehicle Use.**

### **UNACCEPTABLE RISKS:**

1. Applications that do not contain information that is essential to correctly rate and issue the policy.
2. Applications without a permanent telephone number.
3. Applications with a business, partnership, or corporation listed as the named or additional insured.

### **UNACCEPTABLE OPERATORS:**

1. Operators who have been convicted of insurance fraud.
2. Operators that have had a policy or bond canceled for misrepresentation.
3. Actors/Actresses, athletes, celebrities, dancers, entertainers, and persons of notoriety.

### **UNACCEPTABLE VEHICLES:**

1. Vehicles over twenty-five years old.
2. Vehicles without a valid garaging address. This includes but is not limited to other than Standard type zip codes as defined by the United States Post Office.
3. Vehicles with out of state garaging addresses.
4. Vehicle with salvage titles.
5. Vehicles with load capacities in excess of 2,000 pounds.
6. Vehicles equipped in any way for snow plowing.
7. Vehicles with supercharged engines.
8. Customized off-road vehicles.
9. Vehicle with dual rear wheels.
10. Emergency vehicles.
11. Gray market vehicles.
12. Any of the following types of vehicles: amphibious, antiques, ATV's, Baja's, buses, camper vans, classics, collector's, conversion vans, custom built, dune buggies, electric, golf carts, homemade or experimental type, kit, limited edition, minibuses, modified and/or customized, panel and step vans, motor homes, motorcycles, parade or show cars, restored, scooters, snowmobiles, stainless steel or all aluminum body, street rods, substantially altered vehicles, vehicles with any type of altered suspensions, travel trailers, and trucks.

### **UNACCEPTABLE VEHICLE USE:**

1. Vehicles leased or rented to others by the applicant.
2. Vehicles that are publicly or commercially operated.
3. Vehicles generally considered to be used for commercial use.
4. Business and Artisan Use.
5. Vehicles available to multiple operators for sales, farming, or Business/Artisan use.
6. Vehicles used for racing or show.
7. Vehicles used for retail or wholesale delivery including but not limited to magazines, food (pizza, etc.), newspapers, and mail delivery.
8. Vehicles used for livery or taxi service.
9. Vehicles used to transport explosives; flammable materials, toxic substances, or equipment weighing more than 500 pounds.
10. Vehicles used in the selling, servicing, transporting, storing, parking, or fueling of motor vehicles.
11. Vehicles used for towing, repossession, driver training, security work, or law enforcement.

**HURRICANE AND TROPICAL STORM RESTRICTIONS**

Coverage may not be bound or changed on existing policies in any area where there is a hurricane, tropical storm, tornado or flood watch, warning or occurrence. Policies will not be honored if a watch, warning, or occurrence is in effect at the time of binding.

## **DISCOUNTS**

### **COMPANION POLICY DISCOUNT**

The Companion Policy Discount applies to policies carrying other inforce insurance policies with The Company or its qualifying subsidiaries.

### **MOTOR VEHICLE DRIVER IMPROVEMENT COURSE DISCOUNT**

This discount shall be afforded for each motor vehicle on a policy under which all named insureds:

- Are age 55 or older, and
- Earned a certificate of completion, dated within the most recent 36 months, certifying successful completion of a motor vehicle driver improvement course which meets criteria established by the Pennsylvania Department of Transportation, and
- Have not taken the course as a result of an order or sentence imposed by a court or other governmental entity resulting from a conviction of an offense enumerated in Pa. Stat. Title 75, Ch. 15, Section 1535.

Additionally, this discount shall be afforded to motor vehicles on a policy under which the assigned operator meets the above criteria, irrespective of the other named operators on the policy.

As a condition of maintaining this discount, the insured must not:

- Be convicted of an offense enumerated in Pa. Stat. Title 75, Ch. 15, Section 1535.
- Be convicted of or have accepted Accelerated Rehabilitative Disposition (ARD) for driving under the influence of alcohol or a controlled substance.

This discount shall apply:

- To new and renewal policies with inception dates within 36 month period following the course completion date.
- Only once to each vehicle on the policy regardless of the number of driver improvement courses is completed by each named insured.

## **COVERAGES**

This program offers the following coverages:

- A. **Collision, Theft, and Emergency Travel Loss of Use Coverage** – Collision, Theft, and Emergency Travel Loss of Use Coverage must be purchased and kept in force on at least one vehicle.
1. Collision Loss of Use - The Company shall reimburse an amount up to twenty-five dollars per day for a maximum of twenty days for the rental of a substitute automobile from a licensed commercial automobile rental agency. The rental is limited to such expenses incurred during a period commencing 12:01 A.M. on the day following:
    - a. The date the insured authorizes repairs to be made and delivers the said automobile to a garage for repairs, if repairable. Coverage ends twenty-four hours after the covered auto is repaired.
    - b. If not repairable, the date the insured and the collision insurer agree said automobile is a constructive total loss, or
    - c. If a total loss and not insured, then running from the date of the collision up to the maximum of ten days as provided, unless the covered auto is replaced sooner.
  2. Theft Loss of Use – Following a theft of an entire covered auto, the Company shall reimburse the insured an amount up to twenty-five dollars per day for a maximum of thirty days for the rental of a substitute automobile from a licensed commercial automobile rental agency. The rental is limited to such expense incurred during the period commencing forty-eight hours after such theft has been reported to the police and the Company and terminating on the date of the whereabouts of the said automobile becomes known to the Company and police, but in no event more than thirty days. If the automobile is recovered and is a constructive total loss or otherwise not driveable, the coverage herein provided shall be extended up to seven additional days.
  3. Emergency Travel Loss of Use - The Company shall reimburse the insured an amount up to twenty-five dollars per day for a maximum of ten days for emergency automobile rental expenses for the rental of a substitute automobile from a licensed commercial automobile rental agency while the covered auto is being repaired at the place of disablement. Such disablement must be the result of mechanical breakdown to the internal parts of the motor, transmission, or drive train of the covered auto while being used by the insured at least 250 miles from the insured's residence.
- B. **Collision Deductible Reimbursement Coverage** - The Company will reimburse an insured an amount up to the limit selected for this coverage for the insured's payment of a covered auto's Collision deductible. The Collision insurance provider must have made payment for damage to the covered auto in excess of the insured's deductible and the insured must provide proof of their payment in the amount of their Collision deductible. The date of loss must occur while the covered auto is actively in force with The Company.
- C. **Comprehensive / Other Than Collision Deductible Reimbursement Coverage** – The Company will reimburse an insured an amount up to the limit selected for this coverage for the insured's payment of a covered auto's Comprehensive/Other Than Collision deductible. The Comprehensive/Other Than Collision insurance provider must have made payment for damage to the covered auto in excess of the insured's deductible and the insured must provide proof of their payment in the amount of their Comprehensive/Other Than Collision deductible. The date of loss must occur while the covered auto is actively in force with The Company.

- D. **Personal Effects Coverage** – The Company will pay for loss or damage due to theft of personal effects owned by the insured or any resident relative while being carried in the covered vehicle. The Company is not liable for theft or pilferage from the covered auto while unattended unless all doors and windows are securely locked and such loss must be the direct result of forcible entry of which there must be visible evidence to the covered auto.

The Company is not liable for more than 25% of the amount of the limit of liability on any article of jewelry, watches, or furs. The Company is not liable for loss to spare tires, parts or accessories as built into and forming a part of the covered auto.

The limit of the Company's liability shall not exceed the lesser of:

1. Five hundred dollars (\$500)
  2. the actual cash value of the personal effects; or if the lost is a part thereof, the actual cash value of such part at the time of the loss
  3. the cost of repair or replacement of personal effects or such part thereof with other of like kind and quality, with deduction for depreciation
- E. **Towing and Labor Coverage** – Towing and Labor Coverage reimburses the insured on a covered vehicle for the lesser of the actual towing charges up to the selected limits for each covered disablement subject to the term maximum. A covered disablement includes an accident, mechanical breakdown, or a flat tire provided the labor is performed at the place of disablement.
- F. **Final Expense Coverage** – In the event that bodily injury from a motor vehicle accident causes death of a named insured within twenty-four months from the date of the accident, Final Expense Coverage will provide reimbursement of up to \$3,000 for reasonable and necessary expenses directly related to the funeral, burial, cremation, or other form of disposition of the remains of a deceased named insured. Final Expense Coverage benefits will be paid to the personal representative of the named insured.
- G. **Windshield Replacement Coverage** – Windshield Replacement coverage reimburses the insured in the event the front windshield of the covered vehicle requires replacement due to flying or falling objects, contact with bird or animal, or malicious mischief vandalism. The Company shall reimburse the insured for the replacement cost of the windshield subject to the limit selected by and paid for by the insured. At the option of the Company, the Company may repair or replace the windshield in lieu of reimbursing the insured. This coverage does not include replacement necessitated by collision damage.

## **POLICY TERM, PAYMENT OPTIONS, and FEES**

### **POLICY PERIOD**

Policy terms of six and twelve months are available.

### **PAYMENT OPTIONS**

Policy Term	Bill Plan	Minimum Down Payment	Installment Amount
6 Month	Paid In Full	100%	-
	Basic – 2 Pay	50%	50%
	Bi Monthly - 3 Pay	34%	33%
	Standard – 5 Pay	25%	18.75%
	Extended - 6 Pay	16.67%	16.67%
12 Month	Paid In Full	100%	-
	Basic – 4 Pay	25%	25%
	Bi Monthly - 6 Pay	17%	16.60%
	Standard – 11 Pay	12.5%	8.75%
	Extended – 12 Pay	8.34%	8.33%

### **FEES**

1. There is a \$25.00 Insufficient Funds Fee for returned checks.
2. There is a \$5.00 Reinstatement Fee applied to policies which are reinstated with lapse.
3. There is a \$5.00 Delinquent Fee applied to any policy which is paid past the due date.
4. There is a \$5.00 Bill Fee per payment.
5. There is a \$10.00 nonrefundable Policy Fee per term. This fee is fully earned at policy inception and renewal.
6. There is a \$10.00 Cancellation Fee.
7. There is a \$3.00 Electronic Payment Fee for payments made by credit card, debit card, or other electronic funds transfer methods.