

About Mercury[Introduction](#)[Binding Requirements](#)[Hints on Providing the Best
Available Rate for Applicants](#)[Business Types](#)[Insurance Score \(Credit\)](#)[Fleet Classification](#)[Prior Insurance](#)[Filings](#)[Licensing Requirements](#)[Expired License](#)[Suspended License](#)[Revoked License](#)[Foreign License](#)[Unverifiable Driving Record](#)[Driving Record Points](#)[Accidents](#)[Chargeable Period](#)[Same Day Offenses](#)[Low Payout Claim](#)[Forgiveness at Renewal](#)[Usage](#)[Radius](#)Coverages[BI/PD Liability](#)[UM Coverage](#)[Personal Injury Protection](#)[Medical Payments](#)[Physical Damage](#)[Auto Loan/Lease Gap](#)[Blanket Additional Insured](#)[Blanket Waiver of
Subrogation](#)[Drive Other Car](#)[Employees as Insureds](#)[Employee Hired Auto](#)[Fellow Employee Coverage](#)[Hired Auto Liability](#)[Hired Auto Physical Damage](#)[Individual Named Insured](#)[Lessor – LP & AI](#)[Non-Ownership Liability](#)[Specified Additional Insured](#)[Specified Waiver of
Subrogation](#)[Roadside Assistance](#)[Rental Reimbursement](#)Broadening Endorsement[Non-Factory Equipment](#)[Mobile Equipment](#)[Experience Rating](#)[Premium Modifiers \(IRPM\)](#)[Discounts](#)[Years in Business](#)[Multi-Line](#)[Anti-Theft](#)[Paid-in-Full](#)[Electronic Funds Transfer](#)[Commercial Driver's License](#)[Back-up Sensor](#)[Telematics Device](#)[Policy Period](#)[Policy Changes](#)[Cancellation](#)[Rescission](#)[Billing and Payments](#)[Installment Plans](#)[Payment Options](#)[Installment Fee](#)[Renewal Payment](#)[NSF Fee](#)[Late Fee](#)[Reinstatement Fee](#)[Texas Theft Fee](#)Unacceptable Business Types[Unacceptable Risks](#)[Unacceptable Vehicles](#)[Unacceptable Drivers](#)[Additional Exclusions,
Conditions, and Endorsements](#)[Exotic and Limited Production
Vehicles](#)[Agency Sweep](#)[Covered Auto Designation
Symbols](#)[Vehicle & Trailer Photos](#)

About Mercury

When it comes to choosing an insurance company, we know consumers want the lowest price possible. They also want the appropriate amount of coverage to keep their families and businesses safe. Why should they have to sacrifice one over the other? We believe in having the best of both worlds. Low rates, excellent coverage and a local agent who is there every step of the way. That is what sets Mercury apart from our competitors and makes us the obvious choice when it comes to insurance.

Since we first opened our doors in 1962, we have provided comprehensive coverage options. Dedicated managers and enthusiastic employees work hand-in-hand with our network of independent agents to make Mercury one of the fastest-growing auto insurers in the nation. The momentum is building and the good news is we have no plans to stop.

Introduction

Mercury's commercial automobile program is designed to insure individuals, partnerships, and corporations with vehicles that are used in the business of the Named Insured.

Commercial risks will generally fall into one of these entity types:

Individual/Sole Proprietorship: Only one person may be shown as the Named Insured on the policy. The Named Insured must be listed as a driver.

Partnership: All partners shown as Named Insureds on the policy must be listed as drivers.

Corporation & LLC: Only the corporation should be shown as the Named Insured. Corporate officers need not be listed on the policy as drivers unless they may, on occasion, drive the insured vehicles.

Joint Venture: All individuals, partners, and corporate entities involved in a joint venture should be shown as the Named Insured. If an individual is a party in a joint venture, the individual driver must be listed as a driver on the policy.

Not for Profit: Typically operates as a qualifying 503(C) tax code organization and primarily exists with a focus on a charitable, social, political, or religious advocacy purpose. Do not bind without prior approval from the underwriting department.

Binding Requirements

Below are guidelines for any type of transaction, whether new business, endorsement or cancellation. No agent may bind risks, limits or coverages outside the guidelines stated in this manual or the rating software.

- The new business effective date and time is no earlier than when the application and down payment are submitted via the rating software.
- The effective date and time of a policy change is no earlier than when the agent submits the transaction through the rating software.
- Please collect any outstanding balance from a prior Mercury policy.
- The information contained within the application is, to the agent's knowledge, truthful and accurate.
- Coverage may only be bound through using the rating software. Some risks will require approval prior to binding or issuing the policy. The system's Risk Analysis will tell you when approval will be needed.
- All drivers employed by the applicant must be listed. Other vehicle operators such as family members must be listed as drivers on the application. It is critical for all persons that drive policy vehicles at least once per month be listed on the Mercury policy.
- All accompanying documents must reach the Company within 3 days of submission.
- All binding authority is suspended if an official government warning of an impending disaster is issued.
- All commercial vehicles registered to the applicant, and all vehicles registered to and used in the business of the applicant, should be insured by Mercury. Please contact the underwriting department for possible exceptions.
- General Liability coverage should be in effect if the applicant's vehicles or scheduled trailers have attached equipment such as welders, spray units, carpet cleaning machines, pressure washers or similar equipment used in the business.

Hints on Providing the Best Available Rate for Applicants

Point of Sale reports are required in order to provide the best rate available for eligible customers. Using these hints will help you obtain accurate quotes:

Step 1: Order an Insurance Score

Collect all the information you need to order an Insurance Score, including name, address, date of birth, and Social Security number of the applicant.

- Insurance scores must be ordered on the listed Named Insured for entity type Individual/Sole Proprietorship
- For the other entity types, insurance scores must be ordered on the principal of the organization such as the president or CEO
- Be sure to include full name, home address (if not the same as business address), and Social Security number of the individual to avoid inaccurate information
- Applicants not providing their Social Security number may result in a higher quoted premium if the Insurance Score cannot be verified
- Insurance Scores will not be ordered on fleet risks with 10 or more power units

Step 2: Select the Business Type

Our intuitive search function will filter business types as you type characters into the field. Pick the closest match, and if you cannot find a match, then call our underwriting department for assistance.

Our software offers some system edits to help you screen for eligible customers. You should also be familiar with our acceptability guidelines, which can always be found by clicking the Reference Materials tab.

Step 3: Enter Vehicles and Drivers

Complete the vehicle and driver screens. You can obtain a quote without the complete VIN, but the vehicle search is more accurate based on the actual VIN. All 17 characters are required at submission.

Step 4: Obtain Full Disclosure of Driving Activity

Ask your customer about all accidents and violations during the last 3 years. Enter this information for each driver by clicking “Add” in the driver incidents section. After you have this information and an insurance score has been returned, then you are ready to offer the quote to your customer.

Step 5: Gain Intent to Purchase Policy

If the customer likes the quote and intends to purchase, then proceed to the next step and complete application.

Step 6: Order MVR Reports

The final step in the application process is to order the MVR reports for all drivers. These reports are expensive, so do not order these reports until customers are ready to purchase the policy.

Step 7: Sell the Policy

Obtain signatures on all required documents, enter the down payment information and electronically submit the application. All supporting documents should be uploaded within three days of submission.

Business Types

The list of business types is easy to use. Select the most appropriate category by typing in a partial or full keyword. Examples of business types include but are not limited to:

Construction & Special Trades

Contractors or tradesmen who earn income by performing repairs, improvements, remodels, installations, and maintenance services at residential and commercial locations.

Builder & General Trade Contractors

Contractors or builders that manage projects related to residential and non-residential construction. They are generally responsible for the entire project whether involving new work, remodels, or repair, and hire special trade contractors.

Landscaping

Businesses that earn income by providing landscaping and gardening services to residential and commercial customers. Examples include lawn care maintenance and installation, tree trimmers and landscape contractors.

Farming & Ranching

Businesses that raise livestock or agricultural production.

Services

Businesses that provide a service or sell goods. Vehicles are used to support business by picking up supplies, running errands, etc.

Retail Trade

Businesses that sell merchandise in small quantities to the general public. Vehicles are used to support business by delivering goods to residential or commercial customers.

Oil & Gas Well Services

Establishments primarily engaged in performing oil and gas field services for others on a contract or fee basis. Operations involving drilling, “over-the-hole” work, and hauling are unacceptable.

Food Services & Restaurants

Businesses that provide and sell prepared food (includes food trucks). Vehicles used to support business by picking up supplies, running errands, etc. Operations involving time sensitive delivery are unacceptable.

Manufacturing

Businesses involved in the mass production of products. Vehicles are used to support business by distributing products.

Wholesale Trade

Businesses primarily engaged in the mass distribution of durable or non-durable goods to retailers.

Refer to the [Unacceptable Risk](#) section of this guide or contact underwriting for clarification on the eligibility of any quote.

Insurance Score (Credit)

Insurance scores for risks with up to 9 power units are based on a customer's use of credit and bill-paying behavior. When ordering, please include full name, home address (not business address, if different), date of birth, and Social Security number of the individual (owner) to avoid inaccurate or unavailable insurance score information. A customer has the right not to provide his/her Social Security number, which may result in an unverified insurance score and higher premium.

Insurance scores must be ordered on the listed Named Insured for entity type Individual/Sole Proprietorship.

For entity types Corporation, LLC, Partnership, Not for Profit, and Other, insurance scores must be ordered on the principal of the organization.

- The president or CEO is considered the business principal of a Corporation
- The partner responsible for management of the business is considered the business principal of a Partnership

The Named Insured may request a reorder once in a 24-month period. The Company will reorder the insurance score and determine if it would place the policy in a better rate. If the Named Insured qualifies for a better credit group, the new rate would apply at the next renewal.

Fleet Classification

Five or more self-propelled vehicles subject to the state financial responsibility law (excluding mobile equipment) are considered fleets. Trailers are not used in determining if the risk is a fleet, but the fleet classification is applied to trailers if the risk is otherwise classified as a fleet. The fleet or non-fleet classification does not change mid-term.

Fleet risks of 10 or more power units may be quoted by the agent or submitted to the Company for quoting. Incomplete submissions will not be quoted. Please email requests to WRCommercial@mercuryinsurance.com or fax to 877-397-0632.

Complete submissions include the following:

- List of all vehicles, drivers, and all associated driving activity. An ACORD application is acceptable for quotes
- Loss runs from prior carriers (expiring policy term plus three prior years)
- Requested coverages
- Any additional information requested

Prior Insurance

Mercury takes into consideration if an applicant was previously insured for business auto liability during the last twelve months (with no more than a 30 day lapse) and the Bodily Injury Liability limits carried.

Please upload documentation listing limits and effective dates of coverage to the Company along with the new business submission. The documentation must list the applicant.

Prior personal auto policy coverage is acceptable if either of the following conditions apply:

- The named insured is an individual/sole proprietor and the vehicles listed in the application are of the private passenger type (including light trucks and vans) OR
- The business is a newly formed operation during the prior 12 months and the named insured carried qualifying personal auto coverage (for newly formed corporation, prior personal auto insurance may be submitted for president or CEO).

New business applicants that were previously insured with a Mercury business auto policy will be treated as no prior insurance unless the applicant was insured on a policy that was continuously in force for at least two years or was insured with a Mercury business auto policy in another state.

Filings

Mercury will issue an intrastate filing (Form E) for the Named Insured after the risk is accepted for coverage and all filing information is provided. A copy of the Texas Motor Carrier Application (Form 1899) is required in order to process a filing request.

A Liability limit of at least \$500,000 CSL is required for vehicles over 26,000 lbs GVW. All operable vehicles owned by the Named Insured must be scheduled. We do not provide Type 7 if the filing is for motor carriers hauling for hire. Additionally, filings will not be made for vehicles hauling hazardous or explosive materials.

A fully earned administrative filing fee of \$50 is charged for the first term and \$25 at each renewal term for which a filing is in place for all or any part of the term. The filing fee will not be returned if the filing is removed. The filing fee is in addition to any surcharge that may be applicable. We will cancel the filing upon termination of the policy.

Mercury will not issue an SR-22 Filing.

License Requirements

Applications must list a learner's permit, permanent or temporary driver's license for all listed drivers.

Expired, Suspended or Revoked License

Drivers with an expired, suspended or revoked driver's license must submit proof of a valid license within 30 days of the date requested by Mercury. If this requirement is not met, the policy is subject to cancellation or non-renewal.

Foreign Driver's License

Any driver that does not have a valid United States driver's license, but has a valid foreign driver's license will be surcharged.

The surcharge is removed beginning with the first renewal after a valid United States license has been obtained, maintained for 12 months, and reported to Mercury.

Any driver who would be assessed a surcharge and who (i) has never been issued a United States license, and (ii) has driven out of the country because of United States military duty will not have points assessed if such driver presents Mercury with a MVR report issued in English by a foreign governmental agency within the past 30 days.

Unverifiable Driving Record

Any driver with a driving record that cannot be verified by the state motor vehicle department will be surcharged. The points will be removed if we receive a valid MVR within 30 days of the effective date.

Driving Record Points

Violations and accidents occurring while a driver is operating a private passenger auto, commercial vehicle, motorcycle, or recreational vehicle will be considered chargeable. Mercury's rating system will automatically assign points to any incident entered.

Accidents

Accidents listed on the MVR or application will be considered at-fault unless documentation is received to verify that the insured was not-at-fault.

For an accident to be considered non-chargeable, a police report or other reasonable proof that the accident was not-at-fault must accompany the application.

Accidents involving hitting another vehicle or object as a result of swerving to avoid an animal are at-fault. Any single vehicle accident is chargeable.

Chargeable Period

Mercury uses the 35 month period prior to the policy term effective date. For drivers who are later endorsed onto the policy, the chargeable period will be 35 months prior to the date on which they are added to the policy.

The occurrence date is used to determine if the accident or violation took place in the chargeable period. If the date is not furnished and we cannot obtain the date through Mercury's reconciliation process, the occurrence date is deemed to be the day before the effective date.

Same Day Offenses

If an occurrence results in multiple violations or accidents, Mercury's rating software will determine the correct point charge for the violation date.

Low Payout Claim Forgiveness at Renewal

A low payout claim is one where Mercury's total reserve/payout on a claim is equal to or less than \$500. Mercury will not include any low payout claims, which occur while the driver is insured with Mercury, in rating non-fleet policies.

Usage

- Service Use: Autos used for transporting the insured's personnel, tools, equipment and incidental supplies to or from a job location. This classification is confined to autos principally parked at job locations for the majority of the working day or used to transport supervisory personnel between job locations
- Retail Delivery Use: Autos used to pick up property from, or deliver property to individual households.
- Commercial Delivery Use: Autos used for transporting property other than those autos defined as service or retail.
- Business Use: Private Passenger Type autos used for business.
- Personal Use: Private Passenger Type and Light autos (GVW of 10,000 lbs or less) not used for business.
- Personal and Business Use: Private Passenger Type and Light autos (GVW of 10,000 lbs or less) used for business.
- Farm Use Only: Private Passenger Type and Light autos (GVW of 10,000 lbs or less) used only for farm use.

Radius

Vehicles are subject to the mileage class applicable to the radius of operation for each vehicle. Radius is determined on a straight line from point of principal garaging (air miles).

Incidental trips: The maximum number of incidental trips permitted (outside the selected radius of operation) is six, annually. The radius for any vehicle(s) traveling outside the selected radius more than six times per year must be rated to reflect the maximum radius.

Coverages

Bodily Injury/Property Damage Liability Coverage (BI/PD)

In general, Bodily Injury Liability provides coverage in the event a covered vehicle causes injury or death to a third party and the insured is considered at-fault for the accident. Property Damage provides coverage in the event a covered vehicle causes damage to any property and the insured is considered at-fault for the accident. All policies will be written only on a Combined Single Limit (CSL) basis.

Coverage Symbol will default based on entity type, coverages selected and number of power units. For entity types Corporation or LLC with 10 or more power units listed, liability will default to Symbol 1 upon selection of Hired Auto Liability and Non-Owned Auto Liability. For other business types, Symbol 7 is the default liability symbol.

Available Limits:

\$85,000 CSL \$100,000 CSL \$250,000 CSL \$300,000 CSL
\$350,000 CSL \$500,000 CSL \$750,000 CSL \$1,000,000 CSL

Uninsured/Underinsured Motorists Coverage (UM/UIM) (CA 21 09)

UM/UIM provides coverage for damages which the insured is legally entitled to recover from another party who is considered at-fault for an accident, but is uninsured or underinsured for the level of damages.

A completed and signed UM/UIM waiver is required if coverage is not desired. UM/UIM Coverage will be added at a limit equal to Liability Coverage if the signed rejection is not received,

Coverage Symbol will default to Symbol 7. For entity type Corporation or LLC, Symbol 2 will be applied as long as Liability Symbol 1 applies.

Available Limits:

\$85,000 CSL \$100,000 CSL \$250,000 CSL \$300,000 CSL
\$350,000 CSL \$500,000 CSL \$750,000 CSL \$1,000,000 CSL

Personal Injury Protection Coverage (PIP) (CA 22 64)

PIP provides first-party benefits for medical expenses, loss of income, funeral expenses, and similar expenses without regard to fault.

PIP coverage is mandatory on all policies unless rejected in writing by the Named Insured. A signed rejection form must be received or coverage will be added to the policy with the minimum coverage limit of \$2,500.

Coverage Symbol 7 will apply.

Available Limits:

\$2,500 \$5,000 \$10,000 \$25,000

Medical Payments Coverage (CA 99 03)

Medical Payments Coverage pays reasonable expenses incurred by an insured for necessary medical and funeral services. These expenses must be connected with "bodily injury" caused by an "accident". Medical Payments Coverage is optional.

Coverage Symbol will default to Symbol 7. For entity type Corporation or LLC, Symbol 2 will be applied as long as Liability Symbol 1 applies.

Available Limits:

\$500 \$1,000 \$2,000 \$2,500 \$5,000 \$10,000

Physical Damage Coverage

Physical Damage Coverage applies to "loss" to a "covered auto" or its equipment from one or more selected sets of perils — Collision, Specified Causes of Loss, and Comprehensive Coverage.

Comprehensive and Specified Causes of Loss Coverages are two methods of insuring other than collision (OTC) physical damage losses. One or the other may be selected by the insured and with or without Collision Coverage.

Vehicle symbols or stated amount will be used to calculate Physical Damage premium depending on the vehicle body type. In most cases, the VIN search and/or entry of vehicle information will determine the symbols. If the symbols are not generated or if stated amount is required per the body type, the agent must manually input the stated amount.

Non-factory equipment value must also be entered if applicable.

The Coverage Symbol for physical damage will default to Symbol 7.

Available Deductibles:

\$250 \$500 \$1,000 \$2,000 \$3,000 \$5,000

Auto Loan/Lease Gap Coverage (MCA20710115)

Optional coverage available by endorsement to increase the amount of recovery in the event of a total loss to a selected auto(s) that is subject to a loan or lease agreement and the amount of outstanding indebtedness on the auto is greater than what the insured could recover under ACV or cost to repair or replace. Coverage applies to autos that are loaned or leased for a period of six months or longer and which have been provided Physical Damage Coverage.

This coverage may be purchased on a free-standing basis or is automatically included if the Broadening Endorsement is purchased.

Blanket Additional Insured (MCA20480711)

This coverage grants insured status to a person or organization that the Named Insured is required by contract to add as an insured.

This coverage may be purchased on a free-standing basis or is automatically included if the Broadening Endorsement is purchased.

Blanket Waiver of Subrogation (MCA04440913)

This coverage waives the right of recovery against a person or organization the Named Insured has waived its rights through a written contract.

This coverage may be purchased on a free-standing basis or is automatically included if the Broadening Endorsement is purchased.

Drive Other Car (CA 99 10)

Excess coverage that extends Liability, Physical Damage, Medical Payments, and Uninsured Motorist coverages (where applicable) to scheduled executives of a Partnership or Corporation for their personal use of non-owned autos.

Coverage available for Partnerships, LLC's and Corporations.

Employees as Insureds (CA 99 33)

Optional coverage extends liability coverage to employees while using covered non-owned autos for business or personal affairs of the named insured.

This coverage may be purchased on a stand-alone basis or is automatically included if the [Broadening Endorsement](#) is purchased.

Employee Hired Auto (CA 20 54)

Provides coverage for employees of the Named Insured who hire or rent a vehicle (without an operator) in his/her own name, at the insured's direction, for the purpose of conducting business for the Named Insured.

Fellow Employee Coverage (CA 20 55)

This endorsement broadens the business auto liability to provide coverage for claims made by an injured employee against a fellow employee who caused or contributed to an injury while operating a vehicle to conduct business operations for the Named Insured.

This coverage may be purchased on a free-standing basis or is automatically included if the [Broadening Endorsement](#) is purchased.

Hired Auto Liability

This coverage provides liability insurance for autos the insured leases, hires, rents, or borrows.

Hired Auto Physical Damage

This coverage provides primary physical damage insurance for autos the insured leases, hires, rents, or borrows. A deductible of \$500 will apply.

Individual Named Insured (MCA99881215)

The "Individual Named Insured" endorsement is automatically attached at no additional charge when the entity type is sole proprietorship/individual.

The purpose is to provide liability and physical damage coverage similar to a Personal Auto Policy for the Named Insured and resident family members for their personal use of non-owned autos. The policy must insure at least one "private passenger type" vehicle as a covered auto in order for coverage to apply.

Lessor – Additional Insured and Loss Payee (CA 20 01)

Under this coverage, any leased auto designated or described in the schedule will be a covered auto you own and not a covered auto you hire or borrow.

Non-Ownership Liability

Non-Owned Auto Liability provides excess liability coverage when the employee drives his or her own automobile or any other automobile not owned by, registered to, or available for the regular use of the Named Insured.

Specified Additional Insured (CA 20 48)

This coverage grants insured status to a specifically listed person or organization that the Named Insured is required by contract to add as an insured.

Specified Waiver of Subrogation (CA 04 44)

This coverage waives the right of recovery against the person or organization specified in the endorsement.

Roadside Assistance (MCA86100415)

Roadside Assistance Coverage is available on vehicles with Collision Coverage. This coverage is only available for Private Passenger Type, Light Vehicles and some Medium Vehicles. The software will automatically display the coverage availability for applicable vehicles.

Available limit: \$100 per occurrence

Rental Reimbursement Benefit (CA 99 23)

This coverage provides reimbursement for rental vehicle costs incurred to temporarily replace an insured vehicle due to a covered loss. Reimbursement is per loss, per vehicle and is the lesser of the rental cost and the daily maximum limit.

Rental Reimbursement Benefit coverage is available on vehicles with Collision Coverage. This coverage is only available for Private Passenger Type, Light Vehicles and Medium Vehicles.

Coverage Symbol will default to Symbol 7. Hired Auto Coverage (Symbol 8) may be added in combination with Symbol 7.

Available Limits:

\$30 per day/30 days maximum

\$40 per day/30 days maximum

\$50 per day/30 days maximum

\$70 per day/30 days maximum

\$100 per day/30 days maximum

Broadening Endorsement Coverage (MCA85101215)

Provides package of the following expanded coverage benefits:

- Accidental Airbag Deployment
- Additional Transportation Expense
- Amended Duties in Event of Accident, Claim, Suit or Loss
- Automatic Additional Insured
- Bodily Injury Redefined to Include Resultant Mental Anguish
- Employee Hired Auto Liability and Physical Damage
- Employees as Insureds
- Fellow Employee Coverage
- Glass Repair – Deductible Waiver
- Hired Auto – Coverage Territory
- Hired Auto Physical Damage (Up to \$50,000 if Hired Liability is also selected)
- Loan/Lease Gap
- Newly Acquired or Formed Entity (Broad Form Named Insured)
- Primary and Non Contributory if Required by Contract
- Supplementary Payments
- Two or More Deductibles
- Unintentional Error, Omission, or Failure to Disclose Hazards
- Waiver of Subrogation

Non-Factory Equipment

Non-factory equipment refers to permanently attached parts, equipment, devices, accessories, enhancements, modifications and changes that are not the original equipment or enhancements installed by the vehicle manufacturer or its authorized dealer as a manufacturer's option at the time of original purchase.

Examples include permanently attached:

- Buckets
- Racks
- Tool boxes
- Converted truck beds
- Pickup shells
- Welders
- Carpet cleaners
- Wheels
- Special paint/vinyl wrap

Mobile cellular phones and any other portable equipment and/or accessories are not eligible for coverage provided by the auto policy.

Refer to Permanently Attached Non-Factory Equipment Endorsement (MCANONFAC1215) for additional details.

Mobile Equipment

Eligible Mobile Equipment includes motor vehicles or trailers subject to compulsory or financial responsibility laws that are maintained primarily to provide mobility to permanently mounted equipment such as:

- Air compressors, pumps and generators, and chippers
- Equipment used for spraying, welding, building cleaning, and lighting
- Cherry pickers or bucket lifts and similar devices used to raise or lower workers (full extension must be less than 60 feet)

We will not insure any vehicle or equipment described in the unacceptable risks/vehicles section such as power cranes, shovels, rollers, forklifts, vehicles with crawler treads, or other vehicles designed for off-road use.

Please contact Underwriting if you are unsure if a vehicle is defined as an "Auto" or "Mobile Equipment."

Experience Rating

A factor developed by measuring the difference between the insured's actual past experience and the expected or actual experience of the class. The resulting experience modification factor is then applied to the premium of the insured.

This factor may be either a debit or credit and, therefore, will increase or decrease the standard premium in response to past loss experience. The agent should enter the prior loss information from the loss runs of all prior policy(s) during the expiring term and preceding three years for risks with 10 or more power units.

Premium Modifiers (IRPM)

The application of Individual Risk Premium Modification (IRPM) rules allow the premium for fleet policies to be credited or debited based on risk characteristics. The agent can apply up to 5% credit or debit for risks with 5 to 9 power units and up to 10% for risks with 10 or more power units. Please contact the underwriting department if higher credits or debits are requested.

Management

- **Experience:** Longer tenured management teams tend to produce more stability and more favorable loss results.
- **Safety Program Supervisor Accountability:** Businesses that employ a safety supervisor generally produce more favorable loss prevention.
- **Loss Prevention Attitude Toward Safety:** Businesses with a formal safety program generally have more favorable loss prevention results.
- **MVR Program:** Businesses that routinely verify MVR's and set standards for acceptability may be eligible for a credit. A business that does not routinely monitor driver MVR's may be debited.

Employees

- **Hiring Practices:** Hiring practices that include pre-employment screening including MVR verification and road tests, may qualify for a premium credit. A premium debit may be assigned if the business does not follow prescribed standard hiring practices.
- **Training:** Businesses that have a driver training program that includes periodic continuing in-service training and evaluation may be eligible for additional premium credit. A premium debit may be assigned if the business does not have a driver training program.
- **Stability/Turnover/Experience:** Businesses with a demonstrated lower than normal employee turnover rate comparable to similar business entities may be eligible for additional premium credit. A premium debit may be assigned if the business has a higher than average employee turnover rate.

Premises and Equipment

- **Extent of Hazards:** Businesses with low risk factors that meet all underwriting qualifications for acceptability may be eligible for an additional premium credit. A premium debit may be assigned if the business has an exposure that is not contemplated within underwriting guidelines.

- **Maintenance and Condition:** Businesses with a vehicle maintenance program may qualify for additional premium credit. A premium debit may be assigned if the business does not perform routine vehicle maintenance.
- **Vehicle Use Policy:** Businesses that limit employee or family member personal usage of company vehicles may be eligible for additional premium credit. A premium debit may apply if the business allows employee or family member access to company vehicles for other than business reasons.
- **Traffic Control:** Businesses that implement premises and job site traffic control procedures that effectively reduce accident potential while vehicles are being loaded, unloaded, etc. may be eligible for additional premium credit. A premium debit may be assigned if the business does not follow an effective traffic control procedure.

Safety

- **Control of Hazards:** Businesses having a safety and loss prevention proactive attitude towards hazard control that may include the employment of a safety director, could be eligible for additional credit. A premium debit may be assigned if the business does not have a proactive safety and loss prevention attitude.
- **Garaging and Protection of Parked Vehicles:** Businesses that provide for the secure garaging and protection of company vehicles or adequate lighting in fenced parking lots may be eligible for additional credit. A premium debit may be assigned if the business does not provide for the securing and protection of vehicles from physical damage or theft. .
- **Safety Self-Inspection:** Businesses that require drivers to perform routine assigned vehicle inspections may qualify for additional premium credit. A premium debit may be assigned if the business does not provide for vehicle safety self-inspection.
- **Accident/Violation Reviews:** Businesses that perform accident investigations and hold employees accountable for violations/accidents may qualify for additional premium credit. A premium debit may be applied if the business does not provide an accident/violation review procedure.
- **Meetings/Rewards/Penalties:** Businesses that conduct periodic safety meetings, make safety literature available to drivers, reward good drivers and penalize problem drivers may qualify for additional premium credit.

Discounts

The following discounts are available when the customer qualifies:

Years in Business

Discount applies if business has been in existence for 3 or more years

Multi-Line

Discount applies if the Named Insured has a General Liability, Business Owner or Commercial Property policy

Anti-Theft

A discount will be applied to Comprehensive Coverage for any vehicle (including a trailer) that is equipped with a Tracking Device.

Paid-In-Full

Policies paid in full will receive a discount. The entire premium must be submitted with the application.

Electronic Funds Transfer (EFT)

Discount applies for all policies paid using EFT. [EFT \(Automatic Payments\)](#) can be selected at new business or renewal.

Commercial Driver's License

Discount applies for drivers who have a valid Commercial Driver's License for at least 2 years.

Back-up Sensor

Discount applies for vehicles equipped with an audible alarm within the cab of the vehicle that sounds when the vehicle is about to hit something while backing.

Telematics Device

Discount applies for vehicles equipped with a system that records information about driving habits, such as the number of miles driven, speed, and how quickly a driver brakes.

Policy Period

The commercial auto policy is written for a period of twelve (12) months and may be continued for successive policy periods based upon the premiums, forms, and endorsements then in effect by the Company.

Policy Changes

Policy changes will be made using the rules, rates, and territorial definitions that were used when the policy was issued at new business or at renewal business.

Adding filings to a policy mid-term requires re-underwriting, which will likely impact the rate or cause other changes.

Cancellation

If the Company receives a request to cancel signed by the Named Insured, a partner or corporate officer, the effective date of the cancellation will be 12:01 AM on the day the request is received unless a future effective date is requested. Mercury will prorate all cancellations.

We will cancel flat (provided there is no filing) only if the request to cancel is received prior to the policy's effective date, or if we receive proof of duplicate coverage at the same or higher limits within 30 days of inception. The policy will not automatically cancel if a vehicle on the policy is a total loss.

Regarding cancellations that are issued due to non-payment of premium, the Company will accept payments that are postmarked (mail payments) or transacted (phone or internet payments) any time prior to the cancellation date, keeping coverage in force. Policies will generally be reinstated with lapse if all the required information and/or payments are received by the Company within 10 days of the cancellation effective date.

The Company reserves the right to cancel a new business policy during the first 60 days for any reason that is not unfairly discriminatory. After 60 days, the Company may cancel or non-renew policies for reasons permitted by state law.

Cancellation notices will be provided to all listed additional insureds and loss payees. The Company will not send notices to certificate holders.

Rescission

Coverage will be rescinded if a risk is materially misrepresented or if the insured's down payment is not honored by the bank for any reason when first presented.

If a payment made payable to the producer is returned unpaid, the agent should notify the Mercury Billing Department within 3 days of notification from the bank. If the agent has notified Mercury of a returned item in a timely manner, the amount of the returned item will be credited to the agent's account.

Billing and Payments

Installment Plans

The down payment is due when the policy is submitted.

Payment Plan	Down Payment	Installments
Full-Pay	100%	N/A
2 Pay	50%	1 @ 50%
4 Pay	25%	3 @ 25%
Monthly 10 Pay *	25.3%	9 @ 8.3%
Monthly 11 Pay *	16%	10 @ 8.4%
Monthly EFT *	10%	9 @ 10%

*Please note that the monthly down payment varies by risk type. The software will automatically display the appropriate down payment.

Payment Options

Mercury offers several convenient payment methods:

- The Company accepts checks and money orders for installments.
- Agents can also accept VISA, MasterCard, American Express, Discover Card or E-checks through our software at new business. [Agency Sweep](#) is also available (additional information available in the appendix section).
- Customers can make payments using VISA, MasterCard, American Express or Discover Card online at mercuryinsurance.com or by calling 888-637-2176.
- When EFT (Automatic Payments) is selected as a payment option, future installments will automatically be withdrawn from the customer's bank account. As a result, customers do not have to remember to send in a payment every month, and they benefit from lower monthly installment fees. EFT (Automatic Payments) can be requested at new business through our software. The EFT authorization form must be signed by the Named Insured, but this document may be retained by the agency. At renewal, the Named Insured can select EFT (Automatic Payments) by mailing the completed authorization form to the Company along with the required down payment.
- A "check by phone" payment will be accepted if the customer calls 888-637-2176 and provides the information printed on the check.

Installment Fee

The installment fee is \$5.00 for non-EFT (paper) payment plans and \$3.00 for EFT (Automatic Payments). For policies on installment plans, the fee will be charged on all payments after the new business down payment, including the renewal down payment.

Renewal Payments

Renewal payments are due by 12:01 AM on the policy renewal date or the policy will expire at such time.

If the renewal payment is made within 30 days after the renewal effective date (or the due date on the Notice of Cancellation), the renewal term will be put in force with a lapse in coverage; the effective date of the renewal term will be one day after the postmark/transaction date of the payment.

If a policy is not renewed within 30 days after the expiration date, submit a new completed application, a proper down-payment and any applicable signed endorsements.

NSF Fee

A fee of \$20 will be charged if payment is not honored by the payer's financial institution for any reason, including but not limited to checks that are refused for non-sufficient funds, checks on which payment has been stopped, and attempted electronic funds collections that are refused by the financial institution.

Late Fee

A late fee of \$10 will be charged for any installment payment if valid payment of at least the minimum amount due is not postmarked (mail payments) or transacted (phone or internet payments) on or before the 10th business day after the bill due date. Other fees may also be applicable. Assessment and payment of a late fee does not stop a policy from being cancelled or non-renewed.

Reinstatement Fee

A reinstatement fee of \$10 may be charged to policies cancelled for non-payment when payment is received within 10 days of the cancellation effective date. The policy will be reinstated with a lapse. No payment should be accepted by the agent without prior approval from the Company.

Texas Automobile Theft Prevention Fund Fee

This fee reimburses the Company for the \$2.00 fee (per motor vehicle year) required to be paid to the Texas Automobile Theft Prevention Fund.

Unacceptable Business Types

Amusement and recreational services, such as carnivals, circuses and fairs
Automobile dealers, new and used
Automobile dismantlers, rebuilders, salvage, or wrecking operations
Automobile rental, leasing companies or sub-leasing operations
Blasting and demolition operations
Building movers, including mobile and modular homes
Child or adult care facilities
Debris removal for hire
Deliveries sensitive to time including food, pharmaceuticals, etc
Door-to-door sales
Driver training schools
Emergency services - ambulance, fire protection, hospital, law enforcement, etc
Garbage, scrap, metal or coal hauling
Government entities
Hauling for hire over 50 mile radius or with vehicles larger than 20,000 lbs GVW
Health care providers that transport clients
Heavy equipment hauling/oversized loads
Hot shot services
Iron and steel construction
Livery (buses, taxis, limos, party buses, etc)
Livestock hauling operations
Logging, saw mill, and planing mill operations
Mail or newspaper delivery including rural routes
Nursing, rest homes and convalescent facilities
Oil or gas related operations involving drilling and “over-the-hole” work
Operations involving mix-in-transit
Pipe hauling
Religious and political organizations
Salt water hauling
Sand, gravel, dirt, aggregate or similar heavy hauling
Schools, including private, public and reform
Street, road and highway construction or maintenance

Tour operators (jeep tours, sightseeing tours, etc)
Towing, wrecker, and roadside assistance operations
Transportation of hazardous materials such as explosives, flammables, or chemicals (other than for pool or pest control services)
Transportation of passengers
Traveling exhibitions
Trucking

Unacceptable Risks

Premium financed policies
Trailer-only policies
Hired and Non-Owned Auto only policies
Physical Damage only policies
Risks with a combination of objective, non-discriminatory, adverse underwriting factors that relate to the risk of loss

Unacceptable Vehicles

Antique/classic autos with physical damage
Armored vehicles
Buses
Escort and pilot vehicles
Exotic and limited production vehicles
Golf carts and A.T.V. type vehicles
Horse trailers with over 4 stalls
Ice cream trucks
Kit cars
Livestock trailers with over 8 stalls
Military vehicles
Mobile office
Mobile power cranes, shovels, rollers, forklifts or farm equipment
Motorhomes
Tow trucks and car carriers
Vehicles designed for off-road use or vehicles with crawler treads

Vehicles garaged out-of-state principally or for more than 90 days
Vehicles in unsafe condition
Vehicles open to the public including bookmobiles and bloodmobiles
Vehicles used as a living or working facility for more than 30 days per year, including travel trailers or other recreational vehicles
Vehicles with booms or buckets (including cherry pickers) unless full extension is less than 60 feet
Vehicles with less than 4 wheels
Vehicles with permanently attached tanks over 1,400 gallon capacity
Well drillers

Unacceptable Drivers

Persons who are not currently licensed
Drivers who have a permanently revoked license or a suspended license that has not been reinstated within a reasonable period of time
Drivers employed in illegal enterprises or occupations
Drivers who have been convicted of a felony within the last ten years
Drivers with more than one alcohol/drug violation (DUI) in the last three years
Drivers with more than one major violation in the last three years
Drivers with two major violations may be acceptable upon prior approval from the Company
Drivers with more than three at fault accidents or more than four accidents, regardless of fault, in the last three years
Drivers with four or more Comprehensive claims greater than \$1,000 within the last three years
Drivers who have had a claim denied due to material misrepresentation or have been convicted of insurance fraud
Drivers with more than 10 total driving record points

Additional Exclusions, Conditions, and Endorsements

The use of additional Exclusions and Conditions generally allow the Company to write risks that would not otherwise qualify or would require a higher premium. The following Exclusions, Conditions, and Endorsements are available by request and can be utilized by our staff underwriters:

- CA 20 18: Professional Services Not Covered
- CA 04 42: Exclusion of Federal Employees Using Autos in Government Business
- CA 20 30: Emergency Vehicles – Volunteer Firefighters and Workers Injuries Excluded
- CA 20 70: Coverage for Certain Operations in Connection With Railroads
- CA 23 01: Explosives – Exclusion of Explosion
- CA 23 04: Rolling Stores
- CA 23 05: Wrong Delivery of Liquid Products
- CA 99 13: Fiduciary Liability of Banks
- CA 99 40: Exclusion or Excess Coverage – Hazards Otherwise Insured
- CA 99 54: Covered Auto Designation Symbol
- CA 99 61: Loss Payable Clause – Audio, Visual and Data Electronic Equipment

Exotic and Limited Production Vehicles

The following list specifies unacceptable vehicle makes and models. This list is not designed to show all unacceptable vehicles. The agent may contact underwriting for acceptability of vehicle before submitting.

Ameritech McLaren	Hummer H1
Aston Martin	Jansen Interceptor
Avanti	La Forza
Bentley	Lamborghini
Cobra, AC or Shelby	Maserati
Delorean	Morgan
Dune Buggy	Motorcycles
Excalibur	Pantera
Ferrari	Rolls Royce
Ford GT	Vector

Agency Sweep

The following steps are necessary to initiate an agency sweep account for commercial auto:

- 1) Agents should log on to www.agentstation.com, which requires a user name and password. Please contact technical support for assistance if the agency does not currently have access to Agent Station.
- 2) Select "Payment Center."
- 3) Select "Manage Accounts" to enter the agency banking information for sweep setup.
- 4) Print the ACH forms and fax to the Marketing Department at 877-397-0744.
- 5) Once Agency Sweep is established the applicant should make the check payable to the agency for a new business policy. Under Payment method, choose "Agency Sweep". Funds will then be transferred electronically from the Agent's account to Mercury.

Covered Auto Designation Symbols		
1	Any "Auto"	Symbol 1 (any auto) is used to denote that any auto (whether it is owned, hired, borrowed, or used; and also whether it fits the traditional commercial auto definition of "auto" or if it qualifies as such because it is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged) is a covered auto for purposes of this policy. The symbol is intended to be reserved to apply only to Liability Coverage.
2	Owned "Autos" Only	Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
3	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5	Owned "Autos" Subject To No-fault	Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Non-owned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs
10	Designated "Autos" Only	The covered auto designation symbol endorsement, however, allows for any designation that is agreeable between the insured and insurer and may be used to include or exclude any category of owned autos for any physical damage coverage.
19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.

Vehicle & Trailer Photos

Mercury Acceptable Commercial Body Type Guide

Cars, Vans, SUVs, Pickups and Trailers



Passenger Auto



Minivan



Sports Utility Vehicle



Pickup Truck including 5th wheel pickups



Cargo/Full size van



Hearse



Utility Trailer



Enclosed Utility Trailer



Tilt Trailer
Usually pairs with 5th wheel pickup



Gooseneck Trailer
Usually pairs with 5th wheel pickup



Horse Trailer
Up to 4 stalls



Livestock Trailer
Up to 8 stalls

Converted Truck Beds/Service Trucks



Mobile Equipment



Chipper



Concrete Pumper



Generator



Welder



Mixer

Truck Tractors and Trailers



Truck Tractor



Low Boy Trailer



Flatbed Trailer



Dry Freight Trailer



Bottom Dump Trailer



Refrigerated Dry Freight Trailer



Ragtop Trailer



Bulk Commodity Trailer



Curtain Side Trailer

Refrigerated and Straight/Box Trucks



Refrigerated Truck



Straight/Box Truck/Cutaway

Delivery Trucks



Step Van
GVW 0-10,000



Delivery Van
GVW >10,000

Other Trucks



Water Truck



Catering Truck



Roll On Truck



Chipper Truck



Dump Truck



Bucket trucks and Cherry pickers
w/extension less than 60 ft

Mercury Unacceptable Commercial Body Type Guide

Garbage Trucks



Garbage Truck



Front Loader



Logging Trailer



Auto Hauling Trailer

Off Road Vehicles



Golf Cart



A.T.V.

Buses and Livery Vehicles



Bus



Passenger Van



Limo

Tank Trailers/Trucks



Tank Trailer over 1,400 gallon capacity



Tank Truck over 1,400 gallon capacity

Miscellaneous Unacceptable Vehicles



Tow Trucks/Car Carriers/Wreckers



Street Sweeper



Cement Mixer Mix in Transit



Motorhome



Crane Truck w/Extension over 60 ft