

**KENTUCKY NATIONAL INSURANCE COMPANY
AGENT BINDING LIMITATIONS
NEW BUSINESS SELECTION AND RATING GUIDE**

I. General Requirements:

- A.** All business placed by the agency with the Company must originate from persons licensed for the agency by the Company. **Brokered business is not acceptable** and is deemed to be a violation of the Agent-Company Agreement.
- B.** All applications or binders must be submitted or uploaded to the Company not later than the fourth business day following the inception of coverage.
- C.** **Risks meeting the eligibility requirements of the Personal Vehicle manual and underwriting requirements outlined below may be bound, not to exceed limits shown.** Risks not qualifying may be submitted **UNBOUND** as outlined on reverse side (IV.) Different tiers may be written on the same policy. Operators should be assigned to the vehicle they principally operate. All vehicles must be eligible for coverage on the personal auto policy. All owned and qualifying private passenger autos must be included on the application or scheduled for addition to our policy at a later date. All operators (whether licensed or issued a learner's permit) in the household must be listed on our application. Individuals and/or vehicles which do not qualify for our program must be controlled in your agency. All vehicles must be owned by and titled to the named insureds.
- D.** **At least one car must include physical damage**, both comprehensive and collision, if one or more cars are being placed in the Medalist or Vantage Tier. Single car or Multi car liability coverage only risks may be written in Challenger if supporting H03, HO4, HO6 or MH3 is in force prior to issuance.

II. Underwriting Standards Applicable to All Tiers:

- A.** Personal stability in employment, lifestyle and financial affairs is expected.
- B.** Work requirements and individual habits do not increase exposure to loss.
- C.** Health does not impair ability to safely operate a motor vehicle.
- D.** Applicant is not indebted to the Company for unpaid, earned premiums from prior policies.
- E.** Vehicle is in good working order with no significant mechanical defects or body damage.

III. Additional Requirements by Tier:

FACTOR	Medalist	Vantage	Challenger
A. Age of Operator 1. Principal Operator 2. Part-Time Operator	a. 25 to 75 and Single b. 21 to 75 and Married c. Youthful operator (age 18) living at home and we write parents auto coverage Acceptable with parents auto insurance and lives at home	a. 23 to 75 and Single b. 21 to 75 and Married c. Youthful operator living at home and we write parents auto coverage Acceptable with parents auto insurance and lives at home	a. 21 to 80 and Single b. 21 to 80 and Married c. Youthful operator living at home and we write parents auto coverage a. Acceptable with parents auto insurance and lives at home b. Acceptable with married spouse 21 or over
B. Max Vehicle Value	\$100,000	\$100,000	\$100,000
C. Vehicle Coverage Requirements	a. At least one car must have comp. and collision coverages b. Physical Damage – Vehicles 16 years old and older may be written provided that the following conditions are met: Vehicle must be inspected by the agent; Vehicle must have no existing damage.	a. At least one car must have comp. and collision coverages.	a. At least one car must have comp. & collision coverages unless KNI has supporting HO

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III. Additional Requirements by Tier (cont'd):

FACTOR	Medalist	Vantage	Challenger
D. Existing Insurance (If named insured has owned a car)	Required	Required	Required
E. Homeowner Policy Written by KNIC	Not Required	Not Required	Not Required
F. Insurance Score	24 & Above	17 & Above	Any Score Accepted
G. Household Members	No unlisted, unrelated members of the household.		
H. Minimum Coverage Limits	\$50/100/50 Split Limits	\$50/100/50 Split Limits	\$25/50/25 Split Limits
I. Maximum Coverage Limits	\$250/500/250 Split Limits	\$250/500/250 Split Limits	\$250/500/250 Split Limits
J. Driving Record			
1. Major Violations or license suspensions	1. None last 5 years	1. None last 5 years	1. None last 5 years
2. Chargeable* Accidents	2. None last 3 years	2. None last 3 years	2. One chargeable accident not in excess of \$25,000 and one minor violation or
3. Minor Moving Violations	3. None last 3 years.	3. One last 3 years	3. Two minor violations allowed if accident-free last 3 years and multi car account
4. Age 21 or less	4. No violations or accidents last 3 years	4. No violations or accidents last 3 years	4. One chargeable accident not in excess of \$25,000 or minor violation last 3 years
5. Age 22 or older	5. Must have held a U.S. issued driver's license for at least 2 years.	5. Must have held a U.S. issued driver's license for at least 2 years.	5. Must have held a U.S. issued driver's license for at least 2 years.
6. Comp. Losses**	6. No more than two losses (none exceeding \$5,000) in last 3 years at the policy level.	6. No more than three losses (none exceeding \$5,000) in last 3 years at the policy level.	6. No more than three losses (none exceeding \$5,000) in last 3 years at the policy level.

IV. When submitting an application for prior approval because the proposed insured does not meet the binding requirements of the company, please (1) omit any effective dates; (2) "X" the binder box indicating that coverage is not bound; (3) do not require signature of the applicant; and, (4) do not accept any premium deposit from the applicant.

* Operators with a chargeable claim in excess of \$25,000 against them within the past 3 years are not eligible for coverage.

** KRS 304.20-340(8) states that a company may not decline or terminate coverage based solely upon the fact that the insured has one or more losses that immediately resulted from natural cause without the intervention of any person and that could not have been prevented by the exercise of prudence, diligence and care.