

ÆON Insurance Group, Inc. Recovery Specialist Program Guide



ÆON Insurance Group-*EAST*

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INTRODUCTION

This program is designed for the “Recovery Specialist” who works with the Major Lenders. (GMAC Finance, Nations Bank etc.) It is **NOT** a program for the “Repo Operator” who works with the “Buy It Here Finance It Here” sales companies.

Definition: Recovery Specialist – A company engaged in the repossession of “collateral” (Vehicles, Boats, etc.) for a Major Financial Institution under a signed contract.

ELIGIBLE AGENTS

We want all producing agents to fully understand the mechanics of the recovery operation. The insurance carriers and ÆON feel that to qualify as producers for this program you **MUST** have an understanding of the legalities and procedures required for a recovery operation. This will better your successful production of profitable business for this program.

ELIGIBLE CLASSES

Recovery Specialist Operations that also have the following Garage Operations:

- * Auto Repair Facilities with Tow Trucks
- * Body Shops Facilities with Tow Trucks
- * Salvage Operations with Tow Trucks
- * Auto Sales of Repossessed Vehicles
- * Towing for Auto Auction Operations
- * Transport of Repossessed Vehicles
- * Towing for Hire Operations
- * Drive away Operations subject to Underwriting and Rating Approval

INELIGIBLE CLASSES

Recovery Specialist Operations with the following Exposures:

- * Recovery specialists who do work for “Buy It Here Finance It Here” Sales Companies.
- * Operations with a Convenience Store on the same Premises or under the same Name.
- * Operation of Repossessing Yachts and Repossession of boats by means of water only.
- * Operations who have a trucking/hauling for hire exposure of 15% of the total revenues for the business.
- * Any operation that cannot show proof of pollution coverage for Underground Storage Tanks at it’s insured location.

COVERAGES

- * Auto Liability
- * Comprehensive and Collision Coverage – Stated Amount
- * Garage/General Liability Forms State Filings are being completed
- * Garage Liability (Including Wrongful Repossession & Personal Injury)
- * Garage Keeper’s Liability – Direct Primary or Legal Liability
- * On Hook/Cargo (Including Personal Effects)
- * Commercial Property – Real & Personal

LIMITS OFFERED UP TO:

- | | |
|--|--|
| * Garage Liability Limits (Aggregate) | \$1,000,000/\$3,000,000 |
| * Garage keepers | \$ 500,000 Per Location |
| * Automobile Liability Limits | \$ 1,000,000 CSL |
| * Automobile Physical Damage Deductibles
(Written on stated amount basis) | \$ 500, \$ 1,000, or \$ 2,000 |
| * Uninsured & Underinsured Motorist (Non Stacked) Limits equal to or less than the Liability | |
| * Medical Payments
and Garage) | \$ 500, \$ 1,000, \$ 2,000 or (For both Auto
\$ 5,000 |
| * Personal Injury Protection (Statutory or as required by the state.) | |
| * Hired and Non Owned Liability | Limits equal to the Auto Liability |
| * On Hook Cargo (Limits Scheduled Per Vehicle) | \$ 500,000 Maximum Limit |
| * Miscellaneous Property Floater Tools & Equip. | \$ 250 or \$500 Deductible |
| * Property Real and Personal | \$1,000,000 Any one Location |

CARRIER & TERRITORIES

- Admitted A rated Carriers
- Territory: All States except NY, MA, DC, HI and AK

QUOTATIONS

- * ÆON Recovery Specialist Application The Application Must Be Complete.
- * Completed schedule with Stated Amount Values and the On Hook Cargo Limits
- * Four Years Company Loss Runs
- * Completed Employee List Indicating ALL Employees and their job title.
- * Current MVR's for ALL Employees

SERVICES PROVIDED BY ÆON INSURANCE GROUP/EAST

- * Toll Free Number - **800-449-2909**
- * Multiple Fax Machines - **336-454-0732**
- * Competitive Commissions
- * Experienced and Professional Underwriting Staff
- * Quick Turnaround time on Quotes, Policy Issuance and Endorsements
- * Multiple Quote Options Available
- * Premium Financing Available – quotes done immediately for your convenience

BINDING REQUIREMENTS**REQUIRED DOCUMENTS TO BIND COVERAGE**

All quotes are indications until all required documents have been submitted, reviewed and accepted by ÆON. All coverages are stipulated in the quotes received from ÆON. It is the agent's responsibility to review and verify that the coverage quoted is the coverage the insured has requested. Any change in coverage at time of binding is subject to review and approval by ÆON.

1. ÆON's Application duly signed and dated by the insured. **A Fax Copy Is Required to Bind Coverage.**
2. Application MUST be complete, including full VIN numbers and all questions answered.
3. Current MVR's for ALL drivers PRIOR **TO BINDING.**
4. **Loss Runs: Currently Dated Company Loss Runs for the past 4 years (All Experience Rated Accounts)**
NON Fleet Accounts the (Loss Section) must be completed including Name of the Carrier and loss data. The underwriter may require the Company Loss Runs to be supplied within 30 days of Binding.
5. Fleet accounts the (Loss Section) and loss runs required prior to binding
6. Other applicable required documents listed on the quote under "Subject To". (i.e. UM Selection / Rejection and or PIP Selection/Rejection, Mechanical Survey of a Vehicle) Photos of Vehicles 10 yrs old

Binding Authority

ALL BINDING AUTHORITY RESTS WITH ÆON INSURANCE GROUP, INC. SEND A WRITTEN REQUEST FOR BINDING THAT INCLUDES THE PROPOSED EFFECTIVE DATE AND THE AGREED UPON PREMIUM. IT MUST BE FAXED PRIOR TO THE PROPOSED EFFECTIVE DATE TO OUR OFFICE. COVERAGE CANNOT BE BACKDATED.

GENERAL UNDERWRITING

New Ventures 1 to 3 years in business must have 5 years prior experience in similar business and must complete recovery specialist's operations survey history forms.

GARAGE LIABILITY

1. The insured must have a written and enforced policy prohibiting employees from possession of a firearm while at work.
2. The insured must have a written and enforced policy for handling a "Hostile Debtor."
3. The insured must require the Lending Institution to submit all recovery assignments in writing prior to performing the recovery.
4. The insured must have a written company procedure for inventory, storage and releasing of the personal effects found in the recovered collateral.
5. Interior and exterior housekeeping must be excellent with all public areas maintained clean and free of tripping hazards. Risk is unacceptable if there are any potholes, spills or trip and fall hazards in public traffic areas.
6. Keys to all automobiles must be kept in a safe and secure place at all times.
7. If any part of the premises is shared with another business, these businesses should be clearly separated by a defined boundary and business exclusion must be signed.
8. Signs must be posted prohibiting customers in work areas.
9. No coverage will be provided under this program for sale or rental of automobiles, trucks, trailers, motorcycles or any other equipment.
10. ÆON Insurance must be immediately notified in writing of all new hires and discharges.
11. Any material change in the entity name or ownership requires notification to ÆON.
12. All mechanical work must be done by qualified personnel. Employees must be experienced and closely supervised to enforce underwriting requirements.
13. All owners / employees 65 years or older must submit a physician's statement certifying their driving ability.
14. For all subcontractors, provide certificate with proof of additional Insured and hold harmless in favor of this account.
15. Coastal wind restrictions apply for properly per state.

GARAGE KEEPERS LIABILITY

1. To qualify for this coverage the insured must have adequate protection for the customer's automobiles, day and night. All Locations must have a completely fenced storage area with proper lighting for night security.
2. Keys to all automobiles must be kept in a safe and secure place at all times.
3. PREFERRED risks are well lighted, fenced and have an alarm system or camera surveillance.

Motor Vehicle Reports**CURRENT MOTOR VEHICLE REPORTS – PRIOR TO BINDING**

1. Name, date of birth and driver's license number must be obtained on all owners, active spouses, corporate officers and employees for the purposes of ordering Motor Vehicle Reports.
2. Employees not possessing a valid driver's license will be automatically excluded from the policy. If the Named Insured possesses no valid driver's license, the risk is unacceptable.
3. All individual motor vehicle records must meet the qualifications outlined under the section entitled *Motor Vehicle Qualifications*.

MOTOR VEHICLE QUALIFICATIONS

Driver Requirements – Drivers must have a minimum of two years' driving experience operating similar type commercial vehicles.

DRIVER QUALIFICATIONS

- All Drivers must be a minimum of 22 years of age.
- Drivers age 65 or older must provide a DOT or Doctors Medical Approval Certificate.
MVR Minimum Requirements

A Driver must be excluded if any of the following violations have been incurred within the last (36) months:

- Driving while impaired.
- Possession of controlled substance, or open container.
- Failure to report an accident or leaving the scene, regardless of the amount of damages.
- Felony involving a motor vehicle.

- Passing a stopped school bus.
- Speeding in a school zone.
- Careless and Reckless Driving (If the state has imposed the maximum points.)

Classification of Drivers' License

Driver's License Classes are determined by the State DOT. However, to operate a 26,001GVW towing a vehicle in excess of 10,000 GVW, a Class "A" CDL is required. Depending on the state, differing classes of license apply. We will refer to each state DMV for the proper license classification.

INSPECTIONS

All locations are subject to inspection

CLAIMS HANDLING

Reporting Claims: **ALL CLAIMS SHOULD BE REPORTED DIRECTLY TO THE CARRIER.**

Empire Fire and Marine Insurance Company: # 1-800-228-9283
(Report the claims directly via phone.)

ACCOUNTING

All agents are requested to pay based on Account Current. Monthly statements will be forwarded to your agency. For questions regarding your agency account, please contact Linda Eustice in our San Jose, CA office at 1-800-683-8600.

RENEWALS

Renewals will be processed in accordance with each state's regulations.

MARKETING

Contact Mark Sedlacek at 866-490-5888 regarding co-op advertising in your state.