

## *Career Car Insurance Program*

### **Insurance Coverage**

In conjunction with the Career Car Program, the Career Car Insurance Program provides auto liability, medical payments, personal injury protection/no fault, uninsured/underinsured motorist, auto and physical damage coverage that meets the minimum amounts required under each United States state/territory laws.

Insurance coverage is extended to Independent Beauty Consultants, Independent Sales Directors and Independent National Sales Directors who:

- Meet Career Car Program qualification requirements (referred to as a “Qualifier”) and select the use of a car (referred to as a “Career Car”).
- Meet the requirements of the 12-Point Rating System (referred to as an “Authorized Driver”).

Insurance coverage is extended to additional drivers, at the request of the Qualifier, who have met the requirements of the 12-Point Rating System (also referred to as an “Authorized Driver”).

Insurance coverage extends only to the Career Car and its replacement rental car. Coverage does not extend to any other vehicles that are owned, leased, borrowed or rented by Qualifier or any Authorized Driver.

### **Canada Coverage**

If you are driving into Canada, you must call Career Car Services to obtain a Canada Non-Resident Inter-Province Motor Vehicle Liability Card. This document must be presented to authorities if requested; otherwise, you could be fined or detained. Please call at least 10 business days before your trip so there will be adequate time to process your request.

### **Mexico Coverage**

If you are driving into Mexico, you must call Career Car Services to obtain Mexico auto insurance at least 10 business days before you plan to leave; otherwise, there will not be adequate time to process your request, and you will have to purchase Mexico auto insurance at the border.

**Caution** – Do not enter Mexico without auto insurance provided or purchased through a Mexican auto insurance company. If you do so, you run the risk of having your car impounded by the authorities or having yourself and your passengers detained.

### **Administration**

Mary Kay Inc. reserves the right to take any actions needed to properly administer the Career Car Insurance Program, even if those actions are not specifically outlined in this document.

If you have questions regarding the Career Car Insurance Program, please call Career Car Services.

## *Career Car Insurance Program*

### **Authorized Driver**

Only Authorized Drivers are permitted to drive a Career Car. Qualifiers selecting a Career Car and their additional drivers are eligible to become an Authorized Driver only after meeting the requirements outlined below:

#### **Qualifier**

For a Qualifier to become an Authorized Driver they must meet the following requirements:

- Select the Career Car instead of Cash Compensation.
- Submit to Career Car Services, a completed Career Car Participation form including a copy of Qualifier's driver's license and signature authorizing periodic request for state motor vehicle reports.
- Possess a valid driver's license issued by the state or territory in which Qualifier resides. Drivers with a revoked driver's licenses which prohibit driving under any circumstances will not be accepted. Conditional, restricted or suspended driver's licenses which allow driving under certain conditions will be accepted at the Company's sole discretion.
- Meet the requirements of the 12-Point Rating System. (See 12-Point Rating System, page 5.)

A Qualifier who selects Cash Compensation instead of the Career Car is not eligible to become an Authorized Driver as a Qualifier and is not eligible to receive auto insurance coverage under the Career Car Insurance Program. They may become an Authorized Driver of a Qualifier who selected the use of a Career Car and must meet all the additional driver requirements.

#### **Additional Drivers**

For an additional driver to become an Authorized Driver they must meet the following requirements:

- Qualifier must submit a completed Additional Driver Request form for each driver being requested, to Career Car Services Attn: Insurance Coordinator by fax or by mail. The form must be completed in its entirety including a copy of the driver's driver license and driver's signature authorizing periodic request for state motor vehicle reports.
- Driver must meet the requirements of the 12-Point Rating system. (See 12-Point Rating System, page 5.)
- Drivers with a revoked driver's licenses which prohibit driving under any circumstances will not be accepted. Conditional, restricted or suspended driver's licenses which allow driving under certain conditions will be accepted at the Company's sole discretion.

A Qualifier may submit a request to add a driver at any time for a minimum of three months. Within 10 business days of receipt of request, Career Car Services will notify the Qualifier if a driver has or has not been approved to be an Authorized Driver.

**Note:** The Additional Driver Request form can be found on the Mary Kay InTouch® Web site. Click on Recognition, Career Car Program, then go to Information and Forms click on the "Additional Driver Request Form."

## *Career Car Insurance Program*

### Learners Permit and International Driver License

Learner's permit and international driver license are not permitted for Qualifiers but are accepted for additional Authorized Drivers only and are subject to the same eligibility requirements and fees.

- An Authorized Driver with a learner's permit may drive a Career Car only if all state restrictions are followed and driver is accompanied by an Authorized Driver who is 21 years of age or older. An Authorized Driver with a learner's permit who fails to comply with this restriction will be treated as an Unauthorized Driver as defined by the Career Car Insurance Program. In addition, they must comply with their State's guidelines for drivers with a learner's permit.
- A driver with an international driver's license must submit a three-year driving history (motor vehicle report) from the country that the driver license originates.

### Removing Authorized Drivers

To have an Authorized Driver removed, the Qualifier must submit, in writing, a request to Career Car Services, Attn: Insurance Coordinator by fax or by mail. Authorized Drivers are only removed by written request and will be removed at the end of the month that the written request is received.

### Unauthorized Driver

A Career Car driven by anyone other than an Authorized Driver is not permitted (referred to as an "Unauthorized Driver").

If a Career Car driven by an Unauthorized Driver is involved in an accident, the Qualifier will be held personally and financially responsible for damages to the Career Car, at which time Qualifier must make full payment for the damages as well as incur points in accordance with the 12-Point Rating System.

### Permanent Loss of Eligibility

Mary Kay Inc. retains the right, at its sole discretion, to permanently revoke a Career Car Qualifier's or any Authorized Driver's eligibility to drive a Career Car.

## Career Car Insurance Program

### Monthly Insurance Fees And Discounts

To further ensure and encourage Authorized Drivers to be prudent and responsible drivers, each Qualifier will be charged the fees outlined in the Monthly Insurance Fee Schedule below and is eligible to receive the discounts outlined in the Monthly Insurance Discount Schedule below. The fees and discounts are reflected on the Qualifier's month-end commission statement:

#### Monthly Insurance Fee Schedule\*

	Basic Fee	Additional fee for under age 25	Additional fee for 6+ points**
Car Qualifier	\$82	\$45	\$40
Authorized Driver #1	\$0	\$45	\$40
Each Additional Authorized Driver	\$20	\$45	\$40

\* Monthly insurance fees are subject to change.

\*\* Each Authorized Driver who has incurred a total of six or more points within a one-year period will be charged an additional fee. (See 12-Point Rating System, page 5.)

#### Monthly Insurance Discount Schedule\*

	Discount	Description
Zero Claims	\$20	Automatically awarded to any Qualifier who has retained a Career Car for the previous 24-month period and has no Career Car Insurance Program collision claims during that same period.
Defensive Driving	\$20	Each Authorized Driver can earn a \$20 discount by completing an accredited defensive driving course. The discount is good for three years from the completion date of the course. To locate a course in your area or take an online course, go to <a href="http://www.nscddonline.com">www.nscddonline.com</a> .  To start receiving your discount, submit a copy of each Authorized Driver's defensive driving certificate to Career Car Services, Attn: Insurance Coordinator by fax or by mail.
Independent National Sales Director	Up to \$82	Automatically awarded to Independent National Sales Directors driving a Career Car. Discount amount is equal to the National Sales Director's total monthly insurance fees or \$82, whichever is less.

\* Monthly insurance discounts are subject to change.

## *Career Car Insurance Program*

### **12-Point Rating System**

In conjunction with the Career Car Insurance Program, the 12-Point Rating System is designed to evaluate current Authorized Drivers and potential drivers to ensure they have demonstrated safe and responsible driving practices. The system examines and rates each driver's driving history for the past three years by assessing points for motor vehicle violations and collision claims. Evaluation will be conducted a minimum of once every twelve to sixteen months and at any other time that may be deemed necessary by Mary Kay in its sole discretion.

To qualify for the Career Car Insurance Program as an Authorized Driver, the driver's total points assessed under the 12-Point Rating System must be 11 or below. If the driver's total points exceed 11 points, the driver does not meet the requirement to become an Authorized Driver and is not eligible to drive a Career Car.

Qualifiers, who do not meet the requirements to become an Authorized Driver because they exceed 11 points, will be set up on Cash Compensation. A Qualifier who is currently driving a Career Car and exceeds 11 points during any rating review process will be given a reasonable amount of time to purchase the Career Car from the leasing company, return the Career Car to the leasing company, or continue the Qualifier's lease in accordance with the terms of such lease separate and apart from the Career Car Program (at the leasing company's discretion) and then will be set up on Cash Compensation.

Qualifiers and their Authorized Drivers point rating, along with their insurance fees and discounts, are reflected on the Qualifiers month-end commission statement. For additional information regarding the 12-Point Rating System, please contact Career Car Services.

A driver whose points exceed 11 points may request to have their records reviewed again after one year or when assessed points are due to fall to 11 points or below, whichever is longer.

The following is a summary of the 12-Point Rating Systems' point assessment for motor vehicle violations, collision claims and violation/actions resulting in automatic ineligibility as an Authorized Driver.

Please note, points from collision claims prior to October 2005 are assessed based on the 12-Point Rating System in effect September 2005. Please refer to the car packet you received at the time of delivery for the vehicle involved.

### **Motor Vehicle Violation**

- Two points are assessed for each motor vehicle violation reflected on the driver's state motor vehicle record for the past three years.
- Up to 12 points for misrepresentation of or failure to cooperate with a state agency, police department, law enforcement agency, or Mary Kay Inc. regarding individual's driving record.
- Points assessed do not correspond to points assessed by the state.
- Drivers with a revoked driver's licenses which prohibit driving under any circumstances will not be accepted. Conditional, restricted or suspended driver's licenses which allow driving under certain conditions will be accepted at the Company's sole discretion.

## Career Car Insurance Program

### Career Car Insurance Collision Claims

- Two points are assessed for each collision claim regardless of fault for the past three years.
- Additional points are assessed on the combined total auto physical damage dollars and total liability dollars resulting from collision claims under the Career Car Insurance Program for the past three years. The number of additional points are determined by the Auto Physical Damage and Liability Points Schedule below.

#### **Auto Physical Damage and Liability Points Schedule\***

Combined Auto Physical Damage & Liability Claim Dollars	Points Accessed
\$0.0 - \$24,999	0
\$25,000 – \$149,999	3
\$150,000 – \$249,999	6
\$250,000 and Greater	9

\*Schedule is subject to change at Company's sole discretion.

- Points are assessed to Qualifier regardless of who was driving the Career Car at the time of the accident and regardless of fault.
- Points assessed may be reduced if subrogation efforts are successful in recovering some or all of the auto physical damage dollars and/or liability claim dollars.
- Additional points are assessed to the Qualifier on each collision claim based on the following:
  - 6 points for a collision claim with an Unauthorized Driver
  - Up to 12 points for misrepresentation of or failure to cooperate with a state agency, police department, law enforcement agency, insurance claims handling service, insurance company representatives, insurance company attorneys, or Mary Kay Inc. regarding a collision claim.
  - 2 points for failing to immediately report a collision claim.

### Violations or Actions Resulting in Automatic Ineligibility

The following motor vehicle violations or actions will result in automatic ineligibility as an Authorized Driver.

- Accident resulting in a fatality regardless of fault (five year ineligibility)
- Driving under the influence or driving while intoxicated
- Felony while operating a motor vehicle
- Refusal of chemical or blood alcohol test
- Engaging in activities that subject the vehicle to seizure by federal, state and/or local authorities
- Leaving the scene of an accident
- Failure to stop for an officer or fleeing to avoid arrest
- Filing a fraudulent insurance claim or misuse of insurance proceeds
- Other violations of a similar magnitude

## *Career Car Insurance Program*

### Special Requirements After an Accident

Any Authorized Driver involved in two or more collision claims in a 24-month period may be required to take a defensive driving course approved or designated by Mary Kay Inc. The Authorized Driver must submit a certificate of completion of the course within 60 days of notification in order to maintain eligibility as an Authorized Driver. The Qualifier/Authorized Driver taking a defensive driving class for this purpose does not qualify for the defensive driving discount for a period of 24 months.

### Collision/Comprehensive Claim

The following is an explanation of the two types of claims that can be filed under the Career Car Insurance Program:

- Collision claims include damage resulting from a physical collision between the Career Car and another vehicle or if Career Car hits an object (pot hole, pedestrian, road debris, curb, flying object) that causes damage to the Career Car. The Car Qualifier, Authorized Driver or Unauthorized Driver may incur liability to third parties as a result of a collision claim.
- Comprehensive claims include damage to the Career Car caused by unavoidable acts (hail, wind, theft, vandalism, striking a live animal, glass damage, tree limb falling on car, natural disaster).

### Deductibles

Qualifier is responsible for paying a deductible for each collision claim or comprehensive claim regardless of fault.

- \$500 deductible for each collision claim.
- \$100 deductible for each comprehensive claim.

The deductible will be collected by the repair facility upon completion of repairs. If the Career Car is deemed to be a total loss or the Qualifier will not be picking up the vehicle from the repair facility, the deductible will be applied to the Qualifier's month-end commission statement.

If the other party is at fault, action will proceed against the other party to recover the cost of repairing the Career Car, your deductible, any rental expenses and any other claim costs. Your deductible will be refunded to you based on the percentage of recovery.

### Reporting Collision/Comprehensive Claims

Immediately call the GE Fleet Services (GEFS) toll-free number at (877) 272-8071 (24 hours a day, seven days a week) and provide the following information to a GEFS Claims Administrator, in any event no later than 48 hours after such incident occurs.

- For a collision claim, gather as many facts as possible at the scene of the accident. The police should always be notified to make an accident report. Facts about the accident include: location, date, time, information about the other driver(s), such as name(s), address(es), phone number(s), driver's license number(s), insurance company name(s), policy number(s), vehicle year(s), make(s) and model(s), and all witness names, addresses and phone numbers. By gathering this information, you will benefit in terms of maximum servicing and processing of your accident claim.

## *Career Car Insurance Program*

Additionally, the Qualifier must complete an Automotive Accident Report that will be mailed to the Qualifier by GEFS upon report of an accident. The completed Automotive Accident Report should be mailed to GEFS at P.O. Box 2007, Treveose, PA 19053 or faxed to (215) 953-4184.

- For a comprehensive claim, gather details about how the damage occurred, where it occurred and the type of damage.

### Career Car Damage Repairs

GEFS will administer all collision and comprehensive claims on your Career Car. The Claims Administrator will immediately set you up with one of their pre-approved local independent auto repair facilities. Towing, storage and appraisals also will be arranged. GEFS will issue payment for all repairs to your Mary Kay Career Car less the \$500 collision or \$100 comprehensive deductible. Repairs must be completed within 30 days from date of loss.

### Liability

If anyone is injured or the other party's vehicle is damaged, GEFS will refer the claim to the Career Car Auto Insurance's Third Party Administrator (TPA). An insurance adjuster from the TPA will contact the Qualifier concerning the liability claim.

### Replacement Rental Cars

Each Qualifier will be provided, free of charge, a rental car as a replacement for the Career Car while it is being repaired under a collision or comprehensive claim. The replacement car will be provided through the GEFS daily rental program and will be covered under the Career Car Insurance Program with the same terms and conditions that apply to the Career Car. A replacement rental car will not be provided to a Qualifier whose Career Car was damaged while being driven by an Unauthorized Driver.

Each Qualifier will be responsible for promptly returning the rental car when repairs to the Career Car have been completed. If a rental car is kept more than two business days beyond the date repairs were completed, the Qualifier will be personally responsible for all rental charges starting on the third day. These additional charges will be deducted from the Qualifier's month-end commission statement.

In certain situations, car dealerships may provide a loaner or rental car at their expense while a Career Car is being repaired under warranty. At other times, a Qualifier may find it necessary to obtain a rental car at Qualifier's own expense while the Career Car is undergoing mechanical repairs or routine maintenance. The insurance coverage will be subject to the same terms and conditions that apply to the Career Car.

The insurance coverage extends only to the replacement vehicles described immediately above. Insurance coverage under the program does not apply to any other vehicles that are rented, borrowed, leased or owned by Qualifier or any Authorized Driver.