

Large Fleet Trucking Program Guidelines (20+ power units)

These guidelines will assist you in qualifying, submitting and binding Large Fleet Trucking business with RLI Transportation. These guidelines are subject to change without notice.

Agents / Brokers:

- RLI Transportation will accept new submissions for consideration, from approved retail Agents / Brokers
- Agents / Brokers must be appointed and licensed with RLI, in their respective state, prior to binding their first submission

Eligible For-Hire Trucking Operations – TL & LTL Carriers:

- Flat Bed
- Auto Haulers
- Dry Van
- Intermodal
- Oversized and Heavy Equipment Haulers
- Refrigerated
- Liquid Bulk Tanker (excludes hazardous liquids)
- Dry Bulk Tanker (excludes hazardous)
- Bulk Hopper
- Private Passenger & Service Vehicles – business use only
- Up to 25% brokerage is acceptable for most trucking operations, if Brokerage Contingent AL Coverage is desired

Ineligible Trucking Operations:

- Brokerage Operations (over 25% of trucking revenue)
- Dump Truck Operations
- Wrecker Operations
- Garbage Haulers
- Hazardous Materials Haulers of Any Type that is required to have \$5 mil limits
- Logging Operations of any kind
- Mobile Home/House Movers
- In-Transit Ready Mix
- Drive Away Operations of any kind

RLI Transportation writes Large Fleet in all states, except when they are domiciled in:

- Massachusetts
- Hawaii
- Alaska
- Louisiana (will write accounts that accept a \$25,000 or higher deductible)

Size of Fleet:

- Minimum of 20 power unit fleet
- 20 to 100 units – Good Prospects
- 100 to 1500 units – Great Prospects

Safety:

- Account must have a DOT Safer Safety Rating of “Satisfactory”
- Good Internal Safety Program
- Good Driver Hiring Program

Expected Annual Mileage:

- Truckload – 90,000 to 150,000* miles
 - LTL – 50,000 to 70,000 miles
- *Mileage over 125,000 per year will be priced at a higher rate*

Minimum Deductibles:

- Auto Liability Deductibles start at \$2,500
- SIR's start at \$25,000
- Basket Deductibles start at \$10,000 (AL, GL, Phy-Dam, Cargo)
- All AL Deductibles require collateralization – combination of cash & letter of credit (two deductibles worth of expected losses in cash, the rest in LOC). Total collateral needed is 125% of expected losses within the Deductible Layer.
- Collateral is required on SIR's
- RETRO Plans to further share the risk as well as the premium savings opportunities
 - \$2,500 to \$50,000 Deductible – Good Prospect
 - \$50,000 to \$500,000 Deductible – Great Prospect

Financial Requirements:

- RLI evaluates the financial solvency of every Truck Submission – all risks must be financially solvent (cash flow, equity, debt load, etc.)
- Income statement & balance sheet required for last two complete fiscal periods, and current year to date
- Audited financials are not required
- Financials must follow Generally Accepted Accounting Principles

Years in Business:

- Two years minimum

Lines of Coverages Offered:

- Truckers Auto Liability
- Business Auto Liability
- Non-Trucking Liability (Owner Operator Program)
- Brokerage Contingent Auto Liability
- General Liability (CGL)
- Garage Liability & GKLL
- Trailer Interchange
- Motor Truck Cargo – Legal Liability Form
- Brokerage Contingent Cargo Liability
- Physical Damage
- Hired & Non-Owned
- Following Form Excess Liability
- Occupational Accident

- ❖ No Work Comp.
- ❖ No Property (Building content)

Application Requirements:

- RLI Large Fleet Application is preferred, but not required - other company applications may be acceptable if they contain the required underwriting exposure history, and supplementary information, subject to RLI Underwriter discretion
- RLI Transportation Applications may be printed off website: www.rlitransportation.com
- Applications may be mailed or faxed to RLI or emailed to truck_submissions@rlicorp.com

Loss History:

- Currently valued loss runs (no older than 60 days) are required: three prior years, and current year to date
- If higher limits are needed, reinsurance companies require five years of loss runs

Additional Information Needed:

- RLI requires eight quarters of IFTA Reports (Interstate Fuel Tax Authority)
- If hauling exempt commodities an RLI Supplemental Mileage Form must be filled out
- Expiring Policy Information and Dec. Page
- Equipment schedule (with stated values if physical damage desired)
- Driver Schedules with dates of birth and dates of hire

Motor Vehicle Reports:

- Minimum of 20% MVR random sample required
- MVR's must be no older than 60 days
- MVR Guidelines:
 1. Minimum age of 23
 2. Minimum of two years CDL-A driving experience
 3. Maximum of three moving violations in last three years, or two moving violations and one minor accident
 4. No DUI's and Felony Driving Convictions within last 10 years

Pricing:

- Premiums are developed based upon mileage, by state, and account risk loss experience – this information must be provided in each submission
- Most Policies are written on an exposure auditable basis: Gross Receipts or Mileage
- 90% Minimum Premium

Quotes:

- Quotes will be processed once a complete submission is received
- We will make every effort to quote by your need by date
- Average quote time 30 days

Premium Payment Options:

- Monthly Reporting—Revenue or Mileage basis - 20% escrow deposit required
- RLI Installment Financing - 20% down payment and nine installments - interest free
- Paid in full
- Premiums may be financed through Premium Finance Companies; however, the finance agreement must be approved by RLI Transportation prior to binding. Down payment as stipulated on the proposal is still required prior to inception with the balance due within 12 days.
- RLI will Direct or Agent Bill
- Down Payments, Escrow and Cash Collateral are due upon binding – no filings will be made until these funds have been received by RLI

Filings:

- RLI will make all filings (state & federal)
- Agent / Broker is responsible for requesting filings

Commissions:

- 10% commission on all lines except, 15% commission on NTAL for Owner Operator Program
- Net quotes provided upon request

Endorsements:

- All change requests, including driver and vehicle additions, deletions and changes can be made by phone but must be confirmed in writing via mail, fax or email.
- Endorsements can only be bound by an RLI Transportation employee.
- Changes will not be made retroactively.

RLI Market/Customer Reservation:

- RLI will set aside a specific Prospect for an Agency in advance with just a phone call. A complete submission needs to be sent in soon after reservation in order to hold the account

RLI Claims Philosophy:

- RLI looks for prospects who share the same approach to handling and settling claims
- Minimize exposure on “at fault” losses through aggressive settlement action
- Minimize exposure on “not at fault” losses through aggressive claim handling
- Immediate 24/7 serious Claim reporting to RLI Supervisor Hot Line
- Open two way communication on all claims – no surprises

RLI Value Message:

Accounts and Agents that understand and appreciate RLI’s value added services and capabilities in the areas of:

- Knowledgeable People
- Stability
- Peace of Mind
- A Great Value
- Easy To Do Business With