

Public Transportation Program Guidelines

We submit these guidelines to assist you in qualifying, submitting and binding Public Transportation 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

RLI Transportation writes Public Transportation operations domiciled in all states, except:

- Alaska, Hawaii, Massachusetts & Louisiana (will write in LA with a \$25,000 deductible) .
- Contact the Product Manager for risks located in New York State.
- Small Fleet Charter Program (less than 5 units) is available in all states except:
AK, CT, HI, LA, MA, NJ, NY & TX.

Target Business Classes:

- Charter and Tour Operators (any fleet size except for states noted above)
- Municipal Transit Authorities (5 unit minimum)
- School Districts (10 unit minimum)
- School Bus Contractors (10 unit minimum)
- Limousine Services (10 unit minimum)
- Paratransit Operations (10 unit minimum)

Acceptable Classes: (subject to product manager approval)

- Head Start Programs (10 unit minimum)
- Social Service Agencies (10 unit minimum)
- Van Pools

Unacceptable Classes:

- Taxi Services
- Black or Silver Car Services
- Airport Shuttle Operations
- “Non-yellow” school van operations
- Businesses currently insured in a state “assigned risk” pool

Lines of Coverages Offered:

The following is a list of current coverages offered by RLI. Some restrictions may apply based upon state of domicile and type of operation.

- Auto Liability
- UM/UIM
- No-Fault
- Medical Payments
- Hired Auto Liability
- Excess Liability
- Non-Owned Auto Liability
- Physical Damage
- General Liability
- Garage Liability
- Garagekeepers Legal Liability
- Limited Abuse or Molestation Coverage (GL endorsement in limited number of states)

Account Eligibility:

- Applicant's primary business must be to provide prearranged or scheduled transportation to the public for a fee. School Systems and Non-Profit Public Services are also eligible if professional drivers operate the vehicles.
- Accounts that are currently covered under a state assigned risk plan are subject to Product Manager's approval.
- Applicant must be financially sound (operating profitably with positive net worth or be publicly supported).
- Applicant must have been in business for a minimum of two consecutive years.
- If the applicant has FHWA authority they must have a Satisfactory DOT safety rating.

Driver Eligibility:

- All drivers must have a Commercial Drivers License (CDL) or be in compliance with state and federal laws.
- All drivers must have at least two years of verifiable professional driving experience.
- All drivers must be in good physical condition. Evidence of insurability must be provided for any driver that has continuing health problems, requires regular medication or is over the age of 65.

Unacceptable Drivers:

- Drivers with unverifiable MVR's
- Drivers with any major violations* in the past 36 months
- Drivers with more than 2 at-fault accidents in the past 36 months
- Drivers with more than 4 minor violations in the past 36 months
- Drivers under the age of 23

*Major violations are defined as DUI / DWI, License Suspension, Felonies, Hit and Run Accidents, Possession of a Controlled Substance, Eluding Police or Reckless Operation.

Vehicle Eligibility:

- Vehicles older than 25 years are not eligible for coverage. 20 – 24 year old vehicles subject to company approval.
- Any limousines with stretched frames must have been modified by a Qualified Vehicle Modifier (QVM) as specified by the Ford Motor Company and the Cadillac Division of General Motors.

Submission Requirements:

We prefer to receive submissions for fleets exceeding five vehicles no later than 30 days prior to the inception or bid date of an account. Fleets with less than five vehicles may be quoted in five business days or less. We prefer a completed RLI Transportation Public Transportation Insurance Application; however, other company or agency applications that are transportation-specific and contain required exposure history and supplementary information may be acceptable. A signed RLI application is required for bound accounts. Please consult an underwriter if you are uncertain as to the acceptability of a particular application.

In addition to an application we require the following:

- Currently-valued (within three months of inception), company issued loss runs for the current year and three years prior. Four prior years will be required if excess reinsurance is necessary.
- Current financial statements (income statement and balance sheet) or tax return.
- Current driver's list including date of birth, date of hire and driver license number
- Current MVR for all drivers for fleets of twenty or fewer units. We will request a sampling of MVR's for fleets larger than 20 units.
- Current vehicle list (including year, make, model, complete vehicle identification numbers, seating capacity, and length of stretched limousines).
- Supplemental Wheel Chair Application (if more than 10% of the fleet is Wheel Chair equipped vehicles).
- If the applicant operates interstate, copies of the most recent four quarters fuel tax reports.

Charter Bus Lay-Up Policy:

Unexpected events may render a vehicle (or group of vehicles) unusable for an extended period of time. We allow an Insured to remove one or more vehicles from coverage for a period of time, referred to as a lay-up. Lay-up credit is an accommodation for the unexpected. Acceptable reasons for lay-up include vehicle refurbishing or major repairs. In these situations, we will allow one lay-up per vehicle per policy term and it must be for a period of more than 30 days, however, at no time can more than 25% of the total fleet be laid up. Unacceptable reasons for lay-up include expected seasonal slow downs or summer lay-up of school buses. In order to have coverage for a laid up vehicle, we must be notified of the lay up dates prior to the lay up.

Binding New Business:

- Coverage will not be bound until RLI receives the required down payment (check made payable to RLI Insurance Company), signed application and signed UM/UIM form (if applicable).
- Only an employee of RLI Transportation can bind coverage.
- Upon receipt of the required down payment and signed forms, all Binders, Loss Payee and Additional Insured Certificates, Identification Cards and Accident Kits will be issued.
- Within the first 30 days of the policy term, RLI Transportation will conduct an underwriting audit of the account, either by phone or in person. A qualified independent company or a RLI Transportation employee may be used. The Insured should have personnel files, vehicle maintenance files and safety records available for this audit.
- Some quotes released are subject to additional documentation. Please note that failure to provide required items could result in cancellation.

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

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.

Payment Terms:

- Paid in full
- Premium financed with outside vendor.
- RLI Installments: We offer a number of installment plans that require a down payment of 20% to 25% (depending upon premium size) with six to 10 monthly installments. Contact an RLI Transportation underwriter for details.
- Down payments are to be collected by the agent and forwarded to RLI with the required signed form(s) in order for an account to be bound. Down payment amounts will be stipulated on each proposal. Installments may be agency or direct billed. Monthly payments are due within seven (7) days after installment due date per policy schedule.
- 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 30 days.

Commission:

- RLI pays 10% commission on new and renewal business. Exceptions or changes should be discussed with your underwriter.
- Commission is paid as premium is collected and should not be withheld from payments.

Cancellations:

- Insured request for cancellation will be honored provided the policy is returned or a Lost Policy Release Form is received prior to the requested cancellation date.
- The earliest date a cancellation will be effective is the date RLI Transportation is notified in writing.
- We will earn premium for as long as we are on the coverage including time necessary to cancel filings.
- Flat cancellations are not permitted.

RLI Market/Customer Reservation:

- RLI will set aside a specific Prospect for an Agency in advance with just a phone call. A completed 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