HOME BUSINESS INSURANCE PROGRAM – RATING GUIDE

Vermont

Premium Calculation Instructions

Step 1. Determine the rate group by referring to the Eligible Businesses list located on pages 2 and 3.

Step 2. Identify the applicable base rate using the Base Rate table on page 4. The base rate is determined by the combination of territory (based on ZIP Code Sectionals) and Rate Group.

Step 3. If optional coverages are desired, add additional premiums located on pages 4 and 5 to the base rate to calculate the premium total.

Note: Amounts should be rounded to the nearest dollar.

RLI Insurance Company

SAMPLE

Home Business Insurance Program Rating Worksheet

SAMPLE

Applicant's Name: Country Views Photography Effective Date: 05-01-2018

LOCATION DATA: State Code VT Zip Code 05602 **Base Rate**

Territory: **1**, **2** or (3) Rate Group: **A** or **B** or (Z) = $201

The Basic Plan (base rate) includes: $5,000 Business Personal Property on premises or temporarily off premises, $300,000 Business Liability, Business Income and $250 Deductible.

Total Business Personal Property (BPP) Amount: $ 12,500

Business Liability Limits: ☐ $300,000 ☒ $500,000 ☐ $1,000,000

OPTIONAL COVERAGES:	**LIMIT or EXPOSURE BASE**		**RATE PER $100 or FLAT RATE**		**ADDITIONAL PREMIUM**
LOCATION ONE BUSINESS PERSONAL PROPERTY (BPP) COVERAGE (in excess of $5,000 included in base rate)	$2,500	x	2.75	=	$69
LOCATION TWO BUSINESS PERSONAL PROPERTY (BPP) COVERAGE (total BPP coverage limits may not exceed the maximum limit of $100,000)	$5,000	x	3.30	=	$165
LOCATION TWO INLAND FLOOD COVERAGE	$5,000		$23	=	$23
ADDITIONAL INSURED (charge per each additional insured)	2	x	$20	=	$40
INCREASED LIMIT OF LIABILITY	X $500,000		$25	=	$25
	___ $1,000,000				
MONEY & SECURITIES	$1,000/$1,000		$30	=	$30
IDENTITY FRAUD EXPENSE ($25,000 aggregate limit)	$25,000		$35	=	$35
GARAGEKEEPERS COVERAGE – Legal Liability (Coverage options include: Legal Liability, Direct Excess, and Direct Primary – see rates for different coverage options)	X $30,000		$194	=	$194
	___ $60,000				
UNMANNED AIRCRAFT - Other Than Non-Owned Coverage MGTOW 15lbs – Coverage Option A&B (Coverage options include: Non-Owned Liability, Other Than Non-Owned Liability – Coverage A. BI & PD, Coverage B. Personal & Advertising Injury, Coverage A&B)	$500,000 (Occurrence Limit of Policy)			=	$360
PREMIUM TOTAL (Base Rate + Additional Premiums)				=	$1,142
COVERAGE FOR CERTIFIED ACTS OF TERRORISM				=	$1
FINAL TOTAL (Premium Total + Terrorism Charge)				=	$1,143

ELIGIBLE BUSINESSES FOR HOME BUSINESS INSURANCE PROGRAM (HBI)

The list of eligible businesses shown below are the ONLY businesses eligible. The application is self-underwriting. You and your customer know immediately whether we will accept the business. If the risk isn't eligible or doesn't qualify, you can save your customer the inconvenience of being declined. There's no reason to submit an ineligible application, because there are no exceptions. If you can answer the questions on the application "NO" and the business is listed as being eligible, the policy will be issued promptly.

Eligibility Class Number	Type of Business	Rate Group
63	Abstracting and Indexing Service (14)	B
1	Accounting Service (14)	B
2	Adjuster (Public or Independent Claim Adjuster) (14)	A
71	Advertising Specialty Items Sales (3) (14)	B
3	Antique Gallery/Shop (1) (14)	A
4	Appraisal Service (14)	B
5	Art Gallery/Art Studio (1) (14)	A
6	Artist Supplies (14)	A
72	Auctioneer (3) (14)	A
106	Auditor (14)	B
7	Bakeries	Z
107	Balloon Art (14)	B
130	Barbers (6) (14)	Z
8	Barber Supplies (5) (14)	A
131	Beauticians (6) (14)	Z
9	Beauty Supplies (5) (14)	A
140	Beverage Vendor (11)	Z
66	Billing Service (14)	B
10	Book/Magazine Distributor (14)	A
11	Bookbinding (14)	A
12	Bookkeeping Service (14)	B
92	Calligraphy (14)	B
73	Camera/Photography Sales or Repair (14)	A
108	Candle Sales, **excluding sales of candles made by individuals** (5) (14)	A
13	Candy/Nut Confections	A
93	Car Detailer (14)	A
109	Cell Phone/Pager Sales (14)	A
14	Ceramics (14)	A
74	Clock or Watch Repair (14)	A
15	Clowns, Magicians, Entertainers **excluding Bands & Disc Jockeys** (10) (14)	Z
16	Computer Consultants and Trainers **who are not involved in development of custom applications/programs** (14)	A
17	Computer Repair (14)	Z
94	Computer Sales (14)	A
18	Computer Service Bureau (14)	A
19	Cosmetic Sales (Avon, Mary Kay, etc.) (3) (4) (14)	A
20	Crafts, **excluding manufacturing/distribution of candles made by individuals** (14)	A
132	Dance Instructors (9) (10) (14)	A
110	Database Management (14)	B
141	Dessert Vendors (11)	Z
21	Desktop Publishing (3) (4) (14)	B
142	DJ's (3) (4) (10) (14)	A
22	Draftsman (14)	B
122	Dry Food Products/Mixes Vendor	A
64	Editorial Service/Proofreaders (3) (4) (14)	B
111	Embroidery (14)	B
143	Energy Provider (12) (13) (14)	B
23	Engraving (14)	B
24	Expert Witness Consultants (14)	B
25	Financial Planning, **excluding discretionary trading authority and/or access to customer's funds** (14)	B
26	Floral Arrangement (14)	A
27	Food Broker	B
145	Food/Product Demonstrator	Z
28	Food Supplements/Vitamins (5) (14)	Z
126	Furniture Refinishers (14)	A
123	Games/Puzzles Vendor (5) (14)	A
133	Genealogists (3) (14)	B
30	Gift Delivery Service (5) (14) (balloons, gift baskets, etc.)	B
31	Gift Shop, **excluding manufacturing/distribution of candles made by individuals** (14)	A
32	Glassware (14)	A
33	Graphic Artist/Designer (14)	B
34	Handicrafts, **excluding manufacturing/distribution of candles made by individuals** (14)	A
75	Hearing Aid Sales (14)	A
35	Hobby & Model Supplies, **excluding explosives and propellants** (14)	A
146	Hot Dog/Pretzel Vendors (11)	Z
36	Household Products (Fuller Brush, etc.) (14)	A
65	Information Search Retrieval (4) (14)	B
76	Insurance Agent (14)	A
37	Interior Decorating (14)	B
112	Interior Window Treatments (14)	A
95	Inventory Control Specialist (14)	B
38	Jewelry (Costume) (14)	A
39	Kitchen Supplies (Tupperware, etc.) (14)	A
40	Ladies/Girls Clothing, Accessories (14)	A
41	Lingerie (14)	A
42	Leather Goods (14)	A
77	Loan Origination Service (14)	B
78	Locksmith (14)	A
79	Market Research (4) (14)	B
67	Medical Claims Processing (14)	B
44	Mens/Boys Clothing, Accessories (14)	A
103	Models (3) (14)	B
113	Monogramming (14)	B
80	Musical Instrument Sales/Repair (14)	A
124	Newspaper/Magazine/Book Delivery (14)	A
114	Notaries (14)	B
96	Office Supplies Vendor (14)	A
116	Paper Goods (14)	A
81	Pay Telephone Provider (14)	B
45	Personal Care Products (4) (5) (14)	A
97	Personal Fitness Trainer (10) (14)	Z
134	Personal Image Consultants (3) (14)	B
82	Personalized Books & Gifts (14)	B
147	Pet Accessories (4) (5) (14)	A
135	Pet Sitters (7) (14)	Z
46	Photographer/Photography Studio (14)	Z
29	Picture Framing (14)	A

-- ELIGIBLE BUSINESSES CONTINUED ON PAGE 3 –

ELIGIBLE BUSINESSES FOR HOME BUSINESS INSURANCE PROGRAM (HBI) continued

Eligibility Class Number	Type of Business	Rate Group
144	Plant Care and Sales (7) (14)	Z
117	Prepaid Calling Card Vendor, **excluding sales from vending machines** (14)	A
47	Printer (3) (4) (14)	B
68	Professional Organizer (14)	B
104	Professional Speakers (3) (14)	B
48	Publisher (4) (14)	B
83	Real Estate Agent (14)	B
49	Religious Goods (14)	A
136	Residential Inspection Services (8) (14)	A
84	Resume Service (14)	B
137	Retail Toy Sales (14)	A
69	Rubber Stamp Business (14)	B
127	Scrapbooking (14)	A
51	Secretarial Service (14)	B
128	Seed Sales (14)	A
52	Shoe Repair (14)	Z
118	Sign Painting (14)	A
53	Stationery (14)	B
119	Stenciling (14)	B
54	Tailoring, Alterations, Seamstresses (14)	A
120	Tax Preparation (14)	B
98	Taxidermist (14)	B
70	Teachers/Tutors, **except sports, physical education, industrial or martial arts** (10) (14)	Z
55	Telemarketing, Telephone Solicitation (3) (14)	B
85	Telephone Answering Service/Voicemail (14)	B
86	Toner Cartridge Recharging (14)	Z
56	Transcribing, Court Reporters (3) (14)	B
87	Translator (3) (14)	B
105	Travel Agent (14)	B
57	Trophy Sales (14)	A
99	TV/VCR Repair (14)	Z
148	Unmanned Aircraft Operations (2)	Z
100	Upholsterer (14)	A
88	Video & Music Sales/Rental (14)	A
58	Videotaping, Dubbing, Editing (3) (14)	A
129	Vinyl/Leather Repair (14)	A
149	Vinyl Lettering (14)	A
121	Website Designer (14)	B
89	Wedding & Party Planners (14)	B
59	Wedding Cake and/or Cookie Sales	Z
90	Windshield Repair (14)	A
138	Wood Furniture Crafters (5) (14)	Z
60	Wood Products, **excluding toys and furniture Manufacturing** (14)	A
61	Word Processing (14)	B
62	Writers/Authors (3) (4) (14)	A

NOTES:

(1) Actual Cash Value Basis Only
(2) Limited Coverage for Designated Unmanned Aircraft replaces Exclusion Unmanned Aircraft
(3) Personal and Advertising Injury Exclusion Applies
(4) Intellectual Property Hazard Exclusion Applies
(5) Products Liability Exclusion Applies
(6) Includes Professional Services
(7) Pet Sitters and Plant Care Services Endorsement Applies
(8) Residential Inspection Services Endorsement Applies
(9) Medical Expenses Coverage Exclusion Applies
(10) Abuse/Molestation Exclusion Applies
(11) Food Contamination Endorsement & Selected Products Exclusion Applies
(12) Failure to Supply Exclusion Applies
(13) Limitation – Energy Equipment as BPP Applies
(14) Communicable Disease Exclusion Applies

RATE SHEET

Standard Coverages

Business Personal Property
on premises or temporarily off premises ..... Limit $5,000

Business Liability Limit $300,000

Business Loss of Income ..... ONE YEAR TIME LIMIT

Deductible (no other choice available) $250

Minimum Earned Premium…… 25% of written premium
(Applies to policy cancellations)

Base Rate

Territory	ZIP Code Sectionals	Rate Group Z	Rate Group A	Rate Group B
3	Entire State	$201	$159	$159

Optional Coverages Available

I. Additional Business Personal Property (BPP) Coverage

In excess of the $5,000 automatically provided in the Base Rate.

Maximum limit for BPP coverage is $100,000.

Location One BPP:

Territory	Rate Group Z Rate Per 100	Rate Group A Rate Per 100	Rate Group B Rate Per 100
3	$2.75	$1.40	$0.90

Location Two BPP:

Territory	Rate Group Z Rate Per 100	Rate Group A Rate Per 100	Rate Group B Rate Per 100
3	$3.30	$1.68	$1.08

II. Money and Securities Coverage

On/Off Premises	All Rate Groups	On/Off Premises	All Rate Groups
$1,000/$1,000	$ 30	$ 5,000/$2,000	$147
$2,000/$1,000	$ 59	$ 7,500/$2,000	$237
$3,000/$1,000	$ 88	$10,000/$5,000	$288
$4,000/$1,000	$117		

III. Increased Limits of Liability

$500,000 = $25

$1,000,000 = $60

IV. Limitation – Business Personal Property – Jewelry and Watches

$20 Charge to increase limit up to $250 per item

V. Identity Fraud Expense Coverage

$35 Charge

($25,000 aggregate limit for identity fraud expense coverage and a $5,000 aggregate limit of coverage for additional advertising expenses incurred by the named insured to generally restore the insured's reputation as a result of identity fraud)

-- RATE SHEET CONTINUED ON PAGE 5 --

VI. Additional Insured Charge

$20.00 charge per each additional insured. The only additional insureds we will add are as follows:

Controlling Interest, Owner or Lessor of Leased Land, Co-Owner of Insured's Premises, Manager or Lessor of Premises, Lessor of Leased Equipment, Grantor of Franchise, Grantor of License, State or Political Subdivision (for some permits), Dispatcher or Referral Service

VII. Waiver of Transfer of Rights of Recovery Against Others To Us

$20.00 charge per each named person or organization scheduled.
In the policy insured's have the option to waive their rights of recovery against another party in writing.
The option for the company to schedule a named person or organization is being provided at the fee described.

VIII. Garagekeepers Coverage

Provides comprehensive and collision causes of loss at either $30,000 or $60,000 limits. Choices of coverage basis include: Legal Liability, Direct Coverage - Excess (excess over customer's policy) or Direct Coverage – Primary

Add the appropriate charge for the limit and coverage basis combination from the following table:

Combined rates for comprehensive and collision

State/Territory	$30,000			$60,000		
	Legal Liability	Direct Excess	Direct Primary	Legal Liability	Direct Excess	Direct Primary
Vermont	194	223	261	322	370	434

IX. *Coverage for Certified Acts of Terrorism

(The charges outlined below are subject to change, as they have been filed under the Use and File provision of the Federal Terrorism Act.)

Territory	Charge
3	$1

*Applicable unless the coverage is rejected. Form UW 20313G must be submitted with the application to reject coverage for Certified Acts of Terrorism.

-- RATE SHEET CONTINUED ON PAGE 6 --

X. Unmanned Aircraft

Coverage Endorsement & Brief Description			
Coverage is provided by attaching BOP 347 – Limited Coverage for Designated Unmanned Aircraft *When selected BOP 347 replaces BP 15 11 Exclusion Unmanned Aircraft* Coverage A – Bodily Injury & Property Damage Coverage B* - Personal & Advertising Injury ***Coverage B is Not Available When Policy Includes Business Classification Attaching Personal & Advertising Injury Exclusion Or with Business Classifications Publisher & Website Designer***			
Other Than Non-Owned Aircraft Rates ***Requires Business Classification:*** ***148 – Unmanned Aircraft Operations***	Business Liability Occurrence Limit	**Maximum Gross Takeoff Weight Range** **Above 55Lbs. Not Eligible for Coverage**	
		Light *(15Lbs. or less)*	**Medium** *(Greater than 15Lbs. but less than 55 Lbs.)*
Coverage A & B* selected	$300,000 $500,000 $1,000,000	$280 $360 $500	$550 $710 $1,000
Coverage A only	$300,000 $500,000 $1,000,000	$200 $250 $350	$390 $500 $710
Coverage B* only	$300,000 $500,000 $1,000,000	$80 $110 $150	$160 $210 $290
Non-Owned Unmanned Aircraft *Liability Coverage Options Available As Previously Defined Above for Other Than Non-Owned Aircraft Rates. Business Personal Property Coverage Does not apply.*		**Non-Owned Unmanned Aircraft Liability Premium Rating:** ½ the premium of the anticipated weight class for coverage selection, Coverage A – Bodily Injury, Coverage B* - Personal & Advertising Injury, or Coverage A & B*.	

Rates shown above apply to each unmanned aircraft unit listed on a policy.

XI. Inland Flood Coverage

$23 for the first $5,000 of Business Personal Property coverage per eligible locations.
Each additional $1,000 of coverage applies a rate of $2.00.
Total Inland Flood limit will be equal to the Business Personal Property limit for each location where coverage applies, not to exceed the maximum location limit of $50,000 or the maximum policy limit of $100,000.
$500 Deductible Applies.

Eligibility is dependent upon location of single and multiple family dwellings (not including mobile homes), KatRisk Inland Flood Risk Scoring, FEMA Flood Zones and FEMA Special Flood Hazard Areas, Geocoding Matching, “SLOSH” scoring (Sea, Lake and Overland Surges from Hurricanes).

For occurrence limits greater than $15,000 sub-limits of $15,000 will apply for Business Personal Property in a basement and Limited Fungi, Wet Rot or Dry Rot coverages.

The RLI Home Business Insurance Program is designed for small businesses which are operated out of a person's home. These entrepreneurs may find it difficult to obtain appropriate and affordable insurance through a conventional commercial lines approach. Yet the homeowner's policy on the residence normally excludes any losses arising from "business pursuits."

The types of enterprises specifically targeted are individuals engaged in the retail distribution of products and/or services with operations based from their place of residence. **Professional Liability is excluded on all classes, except Barbers and Beauticians.**

NO BINDING AUTHORITY IS EXTENDED.

Eligibility

A Home Business includes a retail or service business operated from the insured's place of residence and having the following characteristics. It must:

- Be operated by the insured and/or another immediate family member who resides in the insured's household.
- Employ no more than ten (10) employees, other than independent contractors or distributors.
- Be incidental to the occupancy of the building as a private residence.

Additional Location Eligibility

Risks may **store** BPP at an additional location, but may not operate their business from an additional location. The following are examples of an eligible additional location:

- Insured rents or owns a second home.
- Partnership/Corporation – Two or more owners each working from their own home. (Note: Please obtain underwriting approval for insured employees working from their homes.)
- Storage Units (Maximum Size: 250 Sq. Ft.)
- Outbuildings located on the insured's premises but more than 100 Ft. away from their home (Any size).

Risk Size Limitations

Risks exceeding the size limitations listed below will be declined.

- A maximum of $100,000 business personal property value.
- A maximum gross annual sales/receipts derived from the business activity of $250,000 for sales of merchandise **or** $500,000 for a service business.

Underwriting Guidelines

All risks must meet the following Underwriting Guidelines.

- Building coverage is NOT available from RLI under this program.
- The limit of insurance for business personal property must equal 100% of the replacement value.
- The applicant does not own any business under the same legal name as this business which is operated at a different location.
- The dwelling cannot be located within 1,500 feet from the seacoast on the Gulf of Mexico or the Atlantic Ocean. (N/A in RI)
- The applicant does not repackage food or personal care products to be sold under their own label.
- The applicant is not involved in the sale or manufacturing of explosives, propellants and/or use of flammable liquids.
- The applicant does not install any products, excluding installation of computer systems, office equipment, locksmith devices or draperies.
- There have been no more than two (2) claims of any type, related to the business operation, in the previous three (3) years.
- There has been no single claim, related to the business, for more than $25,000 in the previous three (3) years.

Optional Coverages

- Money and Securities (up to $10,000 on premises/$5,000 temporarily off premises).
- Additional Business Personal Property (in excess of the $5,000 automatically provided).
- Optional Liability Limits of $500,000 and $1,000,000 ($300,000 automatically provided).
- Additional Insureds: Controlling Interest (in this business); Owner or Lessor of Leased Land; Manager or Lessor of Premises; Lessor of Leased Equipment; Co-owner of Insured Premises; Grantor of Franchise; Grantor of License, State/Political Subdivision (for permits relating to the premises); or Dispatcher or Referral Service.
- Waiver of Transfer Of Rights Of Recovery Against Others to Us – Optional policy coverage form providing the ability to schedule a named person or organization.
- Jewelry and Watches Increased Limit Coverage – An additional coverage that modifies the property limitation in the Businessowners Coverage Form BP 00 03 which currently limits coverage per item to $100 or less. (BOP 429 – Limitation – Business Personal Property increases the limitation to cover items $250 or less. A $20 service fee is charged to add this endorsement).
- Identity Fraud Expense coverage – This optional endorsement provides $25,000 aggregate limit for identity fraud expense coverage and a $5,000 aggregate limit of coverage for additional advertising expenses incurred by the named insured to generally restore the insured's reputation as a result of identity fraud.
- Garagekeepers coverage – This coverage is available for insureds who temporarily take possession of customers' autos in the normal conduct of their business. It provides comprehensive and collision causes of loss at $30,000 and $60,000 limits on the following basis: Legal Liability, Direct coverage – excess (excess over customer's policy), or Direct coverage – primary.
- Unmanned Aircraft coverage – This coverage is available for insureds who operate a drone for hire, own a drone and use it in one of our 140 eligible business classes, or pays a drone operator to provide services. Coverage provided for Non-Owned and other than Non-Owned Unmanned Aircraft with MGTOW of 55Lbs or less for Bodily Injury & Property Damage and/or Personal And Advertising Injury.
- Inland Flood Coverage – This coverage is available to eligible dwelling locations. Inland Flood means a general and temporary condition of partial or complete inundation of normally dry land area on the "described location" resulting from: Overflow of inland waters, an unusual and rapid accumulation or runoff of surface waters from any source including but not limited to rainfall and ice melt, or mudflow. Inland flood does not mean or include tidal wave or tsunami.

Availability

Product is available in all U.S. states and the District of Columbia.

Forms and Endorsements:

In addition to class specific forms, the following Forms and Endorsements will be included in the policy at the time of issue:

- BP 00 03 (07/13) BUSINESSOWNERS COVERAGE FORM
- BP 01 34 (06/15) VERMONT CHANGES
- BP 01 77 (07/02) VERMONT CHANGES – CIVIL UNION
- BP 04 17 (01/10) EMPLOYMENT RELATED PRACTICES EXCLUSION
- BP 05 77 (01/06) FUNGI OR BACTERIA EXCLUSION (LIABILITY)
- BP 05 98 (07/13) AMENDMENT OF INSURED CONTRACT DEFINITION
- BP 07 04 (01/06) BUSINESS LIABILITY COVERAGE – PROPERTY DAMAGE LIABILITY DEDUCTIBLE (PER OCCURRENCE BASIS)
- BP 14 19 (01/10) EXCLUSION – DAMAGE TO WORK PERFORMED BY SUBCONTRACTOR ON YOUR BEHALF
- BP 15 05 (05/14) EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY – LIMITED BODILY INJURY EXCEPTION NOT INCLUDED
- BP 15 11 (12/16) EXCLUSION – UNMANNED AIRCRAFT
- BOP 405 (01/10) AMENDMENT TO PROFESSIONAL LIABILITY EXCLUSION
- BOP 410 (01/13) PERSONAL PROPERTY OFF PREMISES
- BOP 413 (07/02) EXCLUSION – WEIGHT LOSS PRODUCTS
- BOP 414 (01/13) EXCLUSION – MEDICAL EXPENSES COVERAGE
- BOP 415 (07/02) DEFINITION – VOLUNTEER WORKER
- BOP 426 (11/07) AUTOMATIC INCREASE – BUSINESS PERSONAL PROPERTY
- BOP 434 (01/13) EXCLUSION – COVERAGE EXTENSIONS
- BOP 441 (01/13) AGRICULTURAL OPERATIONS EXCLUSION
- BOP 442 (01/13) RENTAL DWELLING EXCLUSION
- ILF0001C(04/16) SIGNATURE PAGE
- BP 05 24 (01/15) EXCLUSION OF CERTIFIED ACTS OF TERRORISM*
- BP 05 26 (01/15) EXCLUSION OF CERTIFIED ACTS OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL, CHEMICAL OR RADIOLOGICAL TERRORISM; CAP ON COVERED CERTIFIED ACTS LOSSES**

*Applicable When Terrorism Coverage Is Rejected **Applicable When Terrorism Coverage Is Accepted