

## ***Large Fleet Trucking Program Guidelines (50+ 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.

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### **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/Boat Haulers (New Car/Boat Cargo Coverage Only)
- Hotshot Hauler (< 6 Power Units or > 25 Power Units)
- Dry Van
- Intermodal
- Oversized and Heavy Equipment Haulers
- Refrigerated
- Liquid Bulk Tanker (excludes hazardous liquids when <50 Power Units)
- Dry Bulk Tanker (excludes hazardous when < 50 Power units)
- 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)

### RLI Transportation does not write Large Fleet with less than 50 power units in the following areas:

- Texas
- Florida
- New York
- New Jersey
- Pennsylvania
- Chicago area

### Size of Fleet:

- Minimum of 50 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 and can go to \$750,000
- SIR's start at \$25,000 and can go to \$1,000,000
- 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:**

- 2 years minimum

### **Lines of Coverages Offered:**

- Truckers Auto Liability
- Business Auto Liability
- Non-Trucking Auto 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
  - ❖ No Work Comp.
  - ❖ No Property (Building content)
  - ❖ No Occupational Accident

### **Application Requirements:**

- RLI Large Fleet Application is required, information needed is listed on first page of application
- RLI Transportation Applications may be printed off our website: [www.rlitransportation.com](http://www.rlitransportation.com)
- Submission applications may be emailed to: [Truck.Submissions@rlicorp.com](mailto:Truck.Submissions@rlicorp.com), faxed to (309) 683-1621, or mailed to RLI Transportation, 2970 Clairmont Rd NE, Ste. 1000, Atlanta, GA 30329

### **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 2 years CDL-A driving experience
  3. Maximum of 3 moving violations in last three years, or 2 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