

# **RLI Sub-Producer Underwriting Guidelines**

These guidelines follow the New Business application. (*PUP 276FL (06/23)*)

**Please Note:** If any item is *left blank or unanswered*, the risk will not be eligible and returned to the sub-producer to complete and resubmit.

## **Named Insured**

The named insured may be a maximum of two individuals provided both individuals reside in the same household. This policy cannot be issued in the name of an estate, trust, or LLC.

## **LLCs & Trusts**

As long as the named insured on the umbrella is also a named insured on the underlying policy in the trust (or LLC), that individual and the trust or LLC are covered by the RLI policy. The trust (LLC) can be a second-named or additional insured on the underlying policy. You do not show the LLC or trust on the umbrella; there is no additional insured option on the umbrella policy.

## **-----Questions 1–9-----**

Carefully read questions 1–9 and circle the correct number. If any question is unanswered or answered in the “*Not Eligible*” column, **the risk is not eligible**.

- 1) How many automobiles are owned (titled or registered to), leased, rented, or regularly operated by you or any member of your household? **Do not count antique, classic, or collectible automobiles.** See question 10.
  - Include company automobiles provided for your use, or for use by a member of your household. All automobiles licensed for road use need to be counted regardless of individual insurance. Full timers should count their RV as an automobile and not as residential property. Include these vehicles if driven for personal use more than 50 percent of the time. The vehicle would then need to be listed on the underlying for the commercial policy as an additional insured. It would only be covered when driven for personal use.
  - Include ALL licensed vehicles for road use. This also includes, motorcycles, motor homes. Keep in mind that ALL members of the household MUST carry the same underlying limits as the insured. There are no vehicle restrictions at this time.
    - If an answer to this question is in the "**PUP Special**" column, up to a **\$5 million limit is available**. A \$1 million limit is available if any other question response is in the "PUP Special" column.

## **Golf Carts/ATVs/Snowmobiles/Recreational Vehicles/LSV/Travel Trailer**

We only require 100/300 as we don't rate golf carts/ recreational vehicles since they don't meet the definition of automobile, and it would not need to be listed on the application however it will be covered.

Please note- If a motorized vehicle, including any low-speed vehicle, is not considered a golf cart by the state/municipality, then it does not meet the definition of recreational vehicle. Therefore, you would treat these vehicles as automobiles, and they should be counted under question 1 and have minimum underlying automobile limits.

\*\* See more about limits under question 26.

**2) How many residential properties, regardless of location, are owned by, rented by, or partially owned by you or any member of your household? Do not include residential properties that are covered under a Commercial General Liability Policy or other non-personal Premises Liability Policy because they are excluded from coverage.**

- All properties must have the same underlying coverage as the primary residence, or the lower underlying coverage will be counted. For example: If your primary home has \$300,000, but your rental has \$100,000, either mark \$100,000 or increase the rental to \$300,000. Gap policies for \$200,000 are acceptable.
- If an answer to this question is in the "**PUP Special**" column, up to a **\$5 million limit is available**. A \$1 million limit is available if any other question response is in the "PUP Special" column.
- RLI **does not** exclude any property, no matter where it is located, in the U.S. or outside the U.S., so all property must be included and must carry the required underlying limits.
- Primary residential properties must have liability coverage under a policy containing Comprehensive Personal Liability (including Homeowners and Farm owners). Seasonal, secondary, or rental residential properties may have liability coverage under a Comprehensive Personal Liability or Premises Liability Policy. Do not include residential properties that are covered under a Commercial General Liability Policy or other non-personal Premises Liability Policy as they are excluded from coverage.

**3) How many watercrafts between 14 and 45 ft., including any extensions to the hull, are owned or regularly operated by you or any member of your household?**

- Any watercraft that exceeds 45 feet in length is excluded.
- For watercraft less than 45 feet, and both conditions below are met, then it is excluded:
  - Condition A: Total horsepower is greater than 300 HP.
  - Condition B: Capable of speeds greater than 50 mph.

**For example:** If the applicant has a 30-foot watercraft that can only go 30 MPH but has 400 HP, then both condition 1 AND condition 2 above are not being met; therefore, the exclusion does not apply.

- Must maintain at least \$300,000 combined single limits or 250/500/100 or 300/300/100. Watercraft shorter than 14 feet are covered but are not rated for and still require underlying limits. **Please include watercraft owned or regularly operated by you or**

**any member of your household.** This also includes boat clubs. If it doesn't fall in the required guidelines, do not include it on the application; it will NOT be covered.

- 4) How many jet skis, WaveRunners, or other personal watercraft are owned or regularly operated by you or any member of your household?
  - WaveRunners can exceed 50 mph. This is where personal watercraft shorter than 14 feet should be entered.
- 5) What is the total number of drivers? Include drivers with a learner's permit or valid driver's license. See the definition of drivers in Definitions below.
  - "Driver" means you and members of your household who operate automobiles, plus any other person who operates automobiles owned, leased, rented, or regularly operated by you or a member of your household at least 50 percent or more of that automobile's use. "Driver" includes any person with a learner's permit or valid driver's license. Automobiles owned by you or a member of your household include any automobiles titled to or registered in the name of you or a member of your household.
  - All drivers in the household 14 years or older must be included. This includes anyone with a driver's permit and drivers that no longer drive UNLESS they have surrendered their driver's license to the Department of Motor Vehicles (DMV). This also includes children away at school being supported by the insureds and anyone who drives any of the insured's vehicles 50 percent or more of the time even if they are not a member of the household.
- 6) How many drivers are under the age of 22? Include drivers with a learner's permit or valid driver's license.
- 7) How many drivers are age 70 or over? **Note: This response is not considered when determining the rating tier for applicants in Maine and Louisiana.** Include drivers with a learner's permit or valid driver's license.
- 8) How many moving violations have all drivers had within the last three years? Include DWI/DUI incidents within the last five years. See question 27.
  - If there are drivers age 70 or over AND an answer to this falls under the Standard II or the "PUP Special" column, the risk is not eligible.
  - Count only moving violations with one or more points assessed to the driver's license.
- 9) How many at-fault accidents have all drivers had in the last three years? See question 27.
  - At-fault accidents includes any single or multi-car accident chargeable under a primary auto policy, any accident resulting in any payment for bodily injury or property damage, any single-car accident resulting in payment to an insured (unless caused by an animal), and/or any accident resulting in a citation to you or a member of your household with or without a conviction or final adjudication.

- If drivers who are 70 or over have three-four or more moving violations or two or more at-fault accidents, the risk is not eligible.
- If drivers who are age 70 or over AND an answer to this question falls under the Standard II or the "PUP Special" column, the risk is not eligible.
- If drivers who are 21 and under or 80 and over have more than one violation or at-fault accident, the risk is not eligible.

**-----Questions 10–15-----**

Print the response clearly on the line provided. **If the question is unanswered or the response is greater than the maximum number indicated, the risk is not eligible.** PUP Special charge(s) and a \$1 million limit apply if any answer to questions 11 through 15 is greater than 0 (or greater than 640 for question 12.)

**10)** How many antique, classic, or collectible vehicles are owned (titled or registered to) by you or any member of your household? **(Max. of 25)**

**11)** Of the number of residential properties from Question 2, how many residential properties owned by or rented to you or any member of your household are located outside of the U.S. (including its territories and possessions) or Canada? **(Max. of 5)**

- RLI provides worldwide coverage, provided suit on the merits is brought in the U.S. (including its territories and possessions), Puerto Rico or Canada.
- These properties **MUST** be included and must carry the required underlying limits. **Keep in mind that this risk will cap the insured at a \$1 million policy limit.**

**12)** How many acres of land do you or any member of your household own or lease (including partial ownership)? **(Max. of 1280 acres.)** Do not include land covered under a Commercial General Liability policy or other non-personal Premises Liability Policy because they are excluded from coverage.

- Vacant land must be included and carry the required underlying limits to be covered by RLI.
- Vacant land has **NO** structures on it. If there is a structure on it, it is **NOT** vacant.
- Commercial property or vacant land covered by a commercial underlying policy cannot be included.

**13)** How many drivers licensed to drive in the U.S. for less than one year currently have a learner's permit and/or have a non-U.S. driver's license? A year or more with a learner's permit does not qualify as a year with a driver's license. **(Max. of 8)**

- One or more of these drivers in a household will cap the policy limit at \$1 million.
- Having a permit does not mean they have been licensed for one year already; the permit and being licensed for less than one year are completely separate.

**14)** How many driving incidents have all drivers ages 21 and under and/or 80 and over had within the last three years? (**Max. one per driver**)

- Driving school does not remove any violations, at-fault accidents, or incidents from this question. All must still be included regardless of driving school.

**15)** How many arrests, citations, or license suspensions for driving under the influence of alcohol/drugs, driving while intoxicated, and/or any other alcohol/drug related **incidents** have all **drivers** had in the last five years? (**Max. one per household for drivers between ages 22 and 79; none per household for drivers under 22 and 80 or over.**)

**-----Questions 16–22-----**

Read and respond by checking "Yes" or "No." **If any question is unanswered or checked "Yes," the risk is not eligible.**

**16)** Have you or any other driver had an arrest, citation, or conviction for reckless driving, careless driving (*with four points in Florida*), or negligent driving, and/or had a driver's license suspended (for reasons other than driving under the influence of alcohol or drugs), revoked, or refused in the *last five years*?

**17)** Have you or any member of your household been indicted, charged with, or convicted of a felony within the *last five years*?

**18)** Are you or any member of your household recognized nationally or locally as a celebrity or famous person (i.e., professional entertainer, athlete, media personality, etc.)?

**19)** Have you or any member of your household had a liability loss greater than \$50,000 in the past five years or are you or any member of your household aware of any facts, circumstances, incidents, or accidents that could give rise to a claim or lawsuit, whether valid or not, which might directly or indirectly involve you or any member of your household?

- If a claim has paid out (settled) \$50,000 or more in the last five years based on settlement date or there is a pending open claim, it is not eligible.

**20)** Does any other member of your household or other person residing in your household have a Personal Umbrella policy with RLI Insurance Company other than this policy?

**21)** Has any one driver had more than three moving violations in the last three years? (Include DWI/DUI incidents within the previous five years.)

**22)** Has any one driver ages 21 and under or 80 and over had more than one driving incident within the past three years?

**-----Question 23-----**

**23)** Do you elect to purchase or reject Excess UM/UIM coverage? (select one)

- **Excess uninsured/underinsured motorist (UM/UIM) coverage:** Excess UM/UIM coverage is offered for an additional premium. Required basic UM/UIM policy limits must be equal to the liability limits for the Required Basic Automobile Liability Policy. This can be endorsed at any time, including at midterm or renewal.
- If you elect to purchase this coverage, you are required to accept this coverage in writing and pay the additional premium. If you accept Excess UM/UIM coverage, you must complete and return form *PUP257B*.
- When accepting UM, please make sure you carry at least 250/500 underlying limits as well as UM on the underlying policy. Limits of 100/300 is not acceptable.
- Submission of a state-mandated form supersedes any response to this question. If you checked PURCHASE to this, the UM charge will be included in your quote. This can be added or removed from the policy at any time by simply completing a UM form (these are the last page of the renewal questionnaire under FORMS in the RLI portal).

**-----Question 24-----**

If you answer NO to Question 24, then the risk is not eligible.

**24)** Do you and ALL members of your household agree to maintain the MINIMUM REQUIRED LIMITS OF LIABILITY coverage outlined below as a condition of coverage? For those limits that currently do not apply to you or any member of your household, you must agree to maintain those limits only if they become applicable to you or any member of your household during the policy period as a condition of your coverage.

- **FARMOWNERS OR FARM COMPREHENSIVE PERSONAL LIABILITY** (\$300,000 per occurrence): Required only if you or any member of your household own a farm that is not covered by your homeowner's policy.
- **RECREATIONAL VEHICLES:** Includes snowmobiles, ATVs, golf carts, etc. Required only if you or a member of your household own or acquire a recreational vehicle during the policy period that is not covered by your homeowners or personal liability policy for the following limits of liability—\$100,000 combined single limit per occurrence, OR \$100,000/\$300,000/\$25,000.
- **WATERCRAFT:** Includes boats, personal watercraft, jet skis, and canoes. Required only if you or a member of your household own or acquire a watercraft, during the policy period that is not covered by your homeowners or
- personal liability policy for the following limits of liability—\$300,000 combined single limits, \$250,000/\$500,000/\$100,000, OR \$300,000/\$300,000/\$100,000.

Note: The RLI personal umbrella does not provide coverage for *watercraft exceeding 45*

*ft. and/or 50 mph and 300 or more combined horsepower. This exclusion does not apply to personal watercraft.*

**-----Question 25-----**

You MUST agree to one of the two limits indicated in this question. *If left unanswered, the risk is not eligible.*

**25)** Which of the following MINIMUM REQUIRED LIMITS OF LIABILITY do you and ALL members of your household agree to maintain as a condition of coverage during the policy period, \$100,000 (the choice of \$100,000 results in a higher premium and is only available for insureds with a primary residence in Florida) or \$300,000?

- PRIMARY RESIDENCE: Requires homeowners or comprehensive personal liability.
- SEASONAL, SECONDARY, OR RENTAL PROPERTIES: Require premises liability or comprehensive personal liability.

\$100,000 per occurrence (the choice of \$100,000 results in a higher premium and is only available for insureds with a primary residence in Florida), OR \$300,000 per occurrence or higher.

**RLI does accept Citizens underlying homeowner policies at \$100,000; however, there will be a \$185 flat surcharge fee.**

- This can be endorsed at any time. If midterm, RLI will mail the insured a prorated bill. The \$185 fee covers all property on the RLI umbrella that carries the lower \$100,000 limit.

*Note: If any property identified in Question 2 has a liability limit of \$100,000 per occurrence, you MUST check the \$100,000 box above. Residential properties that are covered under a commercial or other non-personal premises liability policy are excluded from coverage.*

**-----Question 26-----**

You MUST agree to one of the three limits indicated in this question. *If left unanswered, the risk is not eligible.*

**26)** Which of the following MINIMUM REQUIRED LIMITS OF AUTOMOBILE LIABILITY do all drivers agree to maintain as a condition of coverage for all automobiles that are owned (titled or registered to), leased, rented, operated, or acquired during the policy period by you or any member of your household? If you elect to purchase Excess Uninsured/Underinsured Motorist (UM/UIM) coverage, the Required Basic UM/UIM policy limits must be equal to the liability limits for the required Basic Automobile Liability Policy. You agree that this condition

applies equally to personal use of an automobile covered under a Commercial Automobile Liability Policy.

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**LIMIT A**

\$500,000 Bodily Injury per person/  
\$500,000 Bodily Injury per occurrence/  
\$50,000 Property Damage per occurrence      **- OR -**      \$500,000  
combined single limit per  
occurrence     

**Note:** Limit A is **ALWAYS REQUIRED** if the answer to **QUESTION 15** is greater than zero.

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**LIMIT B**

\$250,000 Bodily Injury per person/  
\$500,000 Bodily Injury per occurrence/  
\$50,000 Property Damage per occurrence      **- OR -**      \$300,000 Bodily Injury per person/  
\$300,000 Bodily Injury per occurrence/      **- OR -**      \$300,000 combined single  
\$50,000 Property Damage per occurrence      \$50,000 Property Damage per occurrence      limit per occurrence     

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**LIMIT C (The choice of Limit C results in a higher premium. Excess UM/UIM is NOT available if you maintain Limit C.)**

\$100,000 Bodily Injury per person/  
\$300,000 Bodily Injury per occurrence/  
\$50,000 Property Damage per occurrence     

**Note:** Limit C is available **ONLY** if all **drivers** in the household are age 22 and over. Limit C is **NOT** available if there are any **drivers** age 70 or over; and/or if any response makes the risk Standard II; and/or if any response makes the risk PUP Special.

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## Commercial Vehicles

Include commercial vehicles if driven for personal use more than 50 percent of the time. The driver will also need to be listed on the underlying for the commercial policy as an additional insured. Drivers would only be covered when using the vehicle for personal use.

### -----Question 27-----

- 27)** Complete the following for all drivers AND members of your household ages *14 and older*. Per the definition of driver, also include any other person who operates an automobile owned (titled or registered to), leased, rented, or regularly operated by you or a member of your household at least 50 percent or more of that automobile's use.

## PUP Helpful Hints

- **Alcohol-Related Incidents:** Drivers aged 21 and under or aged 80 or over may not have any alcohol-related incidents. These drivers may have only one incident.
- **Binding:** Once the application is completely answered on the RLI portal, it is ready to be bound.
  - **Click “RATE,”** and then **“CONTINUE”** at the bottom of each page to go through all questions. Please make sure all answers are completed, including the address and all members of the household over 14 years old.
  - Choose the signature option in the portal to send a secured link to the insured to electronically sign the application and pay online. Keep in mind they only have five days before the quote will expire. If it expires or they log in more than three times, a new quote will need to be prepared.
  - For those who have clients without internet access or who have difficulties using technology, there is another option. A link may be sent to the agent with a temporary username and password. This allows agents to walk their clients through the process and have them electronically sign in the office and then the agent can put the payment information in for them.
- **Boat Slips:** This would not be listed as a property to the policy or would be added as such. Coverage applies to the slip (subject to policy conditions and exclusions) so long as there is a primary underlying policy in place that fully covers the exposures associated with the slip (most likely the Personal Liability under an HO policy).
- **Early Cancellation:** If the policy is cancelled prior to the end of the policy period, the return premium may be calculated on a basis that is other than a pro-rata basis. The premium returned may be reduced by up to 10 percent of the pro-rata return premium and will be calculated at the time of cancellation.
- **Large Tracks of Land:** The exposure charge for *641 to 1280 acres* is a flat charge. It is not a per acre charge.
- **Maximum Properties:** The total number of properties allowed is 10. The maximum number of residential properties owned or rented by you or any member of your household located outside the U.S. (including its territories and possessions), Puerto Rico and Canada is five.
- **Property Endorsements:** RLI doesn't add, update, or remove property or members of the household midterm unless the individual has passed away. Additions may be made at renewal on the renewal questionnaire, but will be covered until then as long as they carry the required underlying limits.
- **PUP Special Exposure Charges:** These are added to either the Preferred, Standard, or Standard II premium.
- **Renewal Payments:** These can be called into RLI at 866-302-7925 by the agent or the insured. Payment may be made by check or credit card at no additional charge.
- **Required Underlying Liability Limits:** This is for Automobile, Uninsured/Underinsured Motorist (UM/UIM), Property, and Watercraft listed on the application. Carefully review these limits and make certain that the applicant and all members of the household are carrying the proper underlying amount of coverage.

