

**State:** Arkansas **Filing Company:** RLI Insurance Company  
**TOI/Sub-TOI:** 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)  
**Product Name:** Personal Auto Program  
**Project Name/Number:** Initial Program Rate/Rule Filing for Personal Auto/AR10012012PAR-RLI

## Filing at a Glance

Company: RLI Insurance Company  
Product Name: Personal Auto Program  
State: Arkansas  
TOI: 19.0 Personal Auto  
Sub-TOI: 19.0001 Private Passenger Auto (PPA)  
Filing Type: Rate/Rule  
Date Submitted: 11/27/2012  
SERFF Tr Num: RSHL-128781604  
SERFF Status: Closed-Filed  
State Tr Num:  
State Status:  
Co Tr Num: AR10012012PAR-RLI  
Effective Date: 01/01/2013  
Requested (New):  
Effective Date: 01/01/2013  
Requested (Renewal):  
Author(s): Elizabeth Bhatia  
Reviewer(s): Alexa Grissom (primary)  
Disposition Date: 01/03/2013  
Disposition Status: Filed  
Effective Date (New): 01/01/2013  
Effective Date (Renewal):

State Filing Description:

**State:** Arkansas **Filing Company:** RLI Insurance Company  
**TOI/Sub-TOI:** 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)  
**Product Name:** Personal Auto Program  
**Project Name/Number:** Initial Program Rate/Rule Filing for Personal Auto/AR10012012PAR-RLI

### General Information

**Project Name:** Initial Program Rate/Rule Filing for Personal Auto **Status of Filing in Domicile:** Authorized  
**Project Number:** AR10012012PAR-RLI **Domicile Status Comments:**  
**Reference Organization:** ISO **Reference Number:** PP-2011-BRLA1  
**Reference Title:** ARKANSAS PERSONAL AUTO LOSS COST ADVISORY ORG. CIRCULAR: LI-PA-2011-282  
 REVISION TO BE IMPLEMENTED  
**Filing Status Changed:** 01/07/2013  
**State Status Changed:** **Deemer Date:**  
**Created By:** Elizabeth Bhatia **Submitted By:** Elizabeth Bhatia  
**Corresponding Filing Tracking Number:**

**Filing Description:**

This is a new program filing for RLI Insurance Company. Due to management changes at Companion Property and Casualty Insurance Company, they no longer want to offer this program.

This Personal Auto Program utilizes ISO Loss Costs. The filing number for the initial approved CPCIC rate/rule filing number is RSHL-126075255.

### Company and Contact

**Filing Contact Information**

Elizabeth Bhatia, Assistant Product Manager  
 elizabeth.bhatia@risholdings.com  
 202 Montrose West Avenue 330-576-1713 [Phone]  
 Suite 200 330-665-3746 [FAX]  
 Akron, OH 44321

**Filing Company Information**

(This filing was made by a third party - risholdings)

RLI Insurance Company CoCode: 13056 State of Domicile: Illinois  
 9025 North Lindbergh Drive Group Code: Company Type:  
 Peoria, IL 61615-1499 Group Name: State ID Number:  
 (440) 746-0999 ext. 1778[Phone] FEIN Number: 37-0915434

### Filing Fees

**Fee Required?** Yes  
**Fee Amount:** \$100.00  
**Retaliatory?** No  
**Fee Explanation:** New Program Rate/Rule Filing = \$100  
**Per Company:** No

Company	Amount	Date Processed	Transaction #
RLI Insurance Company	\$100.00	11/27/2012	65211749

SERFF Tracking #:

RSHL-128781604

State Tracking #:

Company Tracking #:

AR10012012PAR-RLI

State:

Arkansas

Filing Company:

RLI Insurance Company

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

Personal Auto Program

Project Name/Number:

Initial Program Rate/Rule Filing for Personal Auto/AR10012012PAR-RLI

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Alexa Grissom	01/03/2013	01/07/2013

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Alexa Grissom	12/10/2012	12/10/2012

#### Response Letters

Responded By	Created On	Date Submitted
Elizabeth Bhatia	12/11/2012	12/11/2012

**State:** Arkansas **Filing Company:** RLI Insurance Company  
**TOI/Sub-TOI:** 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)  
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## Disposition

Disposition Date: 01/03/2013

Effective Date (New): 01/01/2013

Effective Date (Renewal):

Status: Filed

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
RLI Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	A-1 Private Passenger Auto Abstract	Filed	Yes
Supporting Document (revised)	APCS-Auto Premium Comparison Survey	Filed	Yes
Supporting Document	APCS-Auto Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	Third Party Authorization	Filed	Yes
Supporting Document	Explanatory Memorandum	Filed	Yes
Rate	Arkansas RLI Personal Auto Rates 10 2012	Filed	Yes
Rate (revised)	Arkansas RLI Personal Auto Rules 10 2012	Filed	Yes
Rate	Arkansas RLI Personal Auto Rules 10 2012	Filed	Yes

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**State:** Arkansas **Filing Company:** RLI Insurance Company  
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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	12/10/2012
Submitted Date	12/10/2012
Respond By Date	

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Dear Elizabeth Bhatia,

**Introduction:**

This will acknowledge receipt of the captioned filing. The APCS must be submitted in Excel. The cancellation rule references a 3 month policy which is in violation of Ark. Code Ann. 23-79-109(f). Please amend accordingly.

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

**Conclusion:**

NOTICE regarding, corrections to filings and scrivener's Errors:

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

Sincerely,

Alexa Grissom

SERFF Tracking #:

RSHL-128781604

State Tracking #:

Company Tracking #:

AR10012012PAR-RLI

State:

Arkansas

Filing Company:

RLI Insurance Company

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

Personal Auto Program

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Initial Program Rate/Rule Filing for Personal Auto/AR10012012PAR-RLI

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	12/11/2012
Submitted Date	12/11/2012

Dear Alexa Grissom,

### Introduction:

### Response 1

#### Comments:

Please see the revised rules attached. Also, the excel version of the ACPS has been attached.

### Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	APCS-Auto Premium Comparison Survey
Comments:	
Attachment(s):	
PPA_Survey_FORM_APCS2012 - RLI Auto.pdf	
PPA_Survey_FORM_APCS2012 - RLI Auto.xlsx	
<i>Previous Version</i>	
Satisfied - Item:	APCS-Auto Premium Comparison Survey
Comments:	
Attachment(s):	
PPA_Survey_FORM_APCS2012 - RLI Auto.pdf	

No Form Schedule items changed.

SERFF Tracking #:

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**Rate/Rule Schedule Item Changes**

Item No.	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #	Date Submitted
1	Arkansas RLI Personal Auto Rules 10 2012		New		12/11/2012 By: Elizabeth Bhatia
<i>Previous Version</i>					
1	Arkansas RLI Personal Auto Rules 10 2012		New		11/27/2012 By: Elizabeth Bhatia

**Conclusion:**

Sincerely,

Elizabeth Bhatia

SERFF Tracking #:

RSHL-128781604

State Tracking #:

Company Tracking #:

AR10012012PAR-RLI

State: Arkansas

Filing Company: RLI Insurance Company

TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name: Personal Auto Program

Project Name/Number: Initial Program Rate/Rule Filing for Personal Auto/AR10012012PAR-RLI

### Rate Information

Rate data applies to filing.

Filing Method: File and Use

Rate Change Type: Neutral

Overall Percentage of Last Rate Revision: %

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

### Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
RLI Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

**SERFF Tracking #:**

RSHL-128781604

**State Tracking #:****Company Tracking #:**

AR10012012PAR-RLI

**State:**

Arkansas

**Filing Company:**

RLI Insurance Company

**TOI/Sub-TOI:**

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

**Product Name:**

Personal Auto Program

**Project Name/Number:**

Initial Program Rate/Rule Filing for Personal Auto/AR10012012PAR-RLI

## Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 01/03/2013	Arkansas RLI Personal Auto Rates 10 2012		New		Arkansas RLI Personal Auto Rates Eff 10 01 2012.pdf
2	Filed 01/03/2013	Arkansas RLI Personal Auto Rules 10 2012		New		Arkansas RLI Personal Auto Rules 10 2012 Revised 12 11 2012.pdf

**RLI Insurance Company**

**Arkansas Personal Auto Program Rate Pages**

Coverage: Liability

Coverage: Physical Damage (base is model year 2012, Symbol 11)

Territory Code	\$75,000 Single Limit	\$25/\$50 B.I.	\$25,000 P.D.	\$1,000 Med Pay
21	\$680	\$290	\$279	\$47
22	\$575	\$226	\$264	\$24
23	\$512	\$188	\$253	\$20
24	\$493	\$195	\$226	\$22
25	\$521	\$239	\$192	\$31
26	\$429	\$173	\$192	\$22
27	\$341	\$135	\$155	\$20
28	\$451	\$193	\$185	\$20
29	\$330	\$129	\$152	\$16
30	\$440	\$176	\$198	\$17
31	\$421	\$159	\$203	\$20
32	\$391	\$162	\$168	\$20
33	\$451	\$176	\$209	\$20

\$500 Ded Comp	\$500 Ded Collision
\$133	\$504
\$96	\$419
\$68	\$352
\$118	\$382
\$188	\$402
\$162	\$377
\$223	\$372
\$198	\$399
\$166	\$360
\$108	\$322
\$107	\$320
\$181	\$391
\$118	\$349

Coverage: Uninsured Motorists Bodily Injury

Coverage: Uninsured Motorists Bodily Injury

Territory 21	Single Car	Multi-Car
Basic Limits		Per Car
\$25,000/\$50,000 BI	\$54	\$43
\$50,000 Single Limit BI	\$69	\$55
Increased Split Limits BI		
\$50/\$100	\$73	\$58
\$100/\$200	\$97	\$77
\$100/\$300	\$97	\$78
\$250/\$500	\$128	\$103
\$300/\$300	\$133	\$106
\$500/\$500	\$148	\$119
\$500/\$1,000	\$149	\$119
\$1,000/\$1,000	\$165	\$132
Increased Single Limits		
\$75,000	\$83	\$66
\$100,000	\$93	\$75
\$200,000	\$119	\$95
\$300,000	\$133	\$106
\$500,000	\$148	\$119
\$1,000,000	\$165	\$132

Territories 22, 23, 24, and 25	Single Car	Multi-Car
Basic Limits		Per Car
\$25,000/\$50,000 BI	\$24	\$19
\$50,000 Single Limit BI	\$31	\$25
Increased Split Limits BI		
\$50/\$100	\$33	\$26
\$100/\$200	\$44	\$35
\$100/\$300	\$44	\$35
\$250/\$500	\$58	\$46
\$300/\$300	\$60	\$48
\$500/\$500	\$67	\$54
\$500/\$1,000	\$67	\$54
\$1,000/\$1,000	\$75	\$60
Increased Single Limits		
\$75,000	\$37	\$30
\$100,000	\$42	\$34
\$200,000	\$54	\$43
\$300,000	\$60	\$48
\$500,000	\$67	\$54
\$1,000,000	\$75	\$60

**RLI Insurance Company**

**Arkansas Personal Auto Program Rate Pages**

Coverage: **Uninsured Motorists Bodily Injury**

All Remaining Territories	Single Car	Multi-Car
Basic Limits		Per Car
\$25,000/\$50,000 BI	\$17	\$13
\$50,000 Single Limit BI	\$21	\$17
<b>Increased Split Limits BI</b>		
\$50/\$100	\$23	\$18
\$100/\$200	\$30	\$24
\$100/\$300	\$30	\$24
\$250/\$500	\$40	\$32
\$300/\$300	\$41	\$33
\$500/\$500	\$46	\$37
\$500/\$1,000	\$46	\$37
\$1,000/\$1,000	\$51	\$41
<b>Increased Single Limits</b>		
\$75,000	\$52	\$42
\$100,000	\$7	\$6
\$200,000	\$21	\$17
\$300,000	\$33	\$26
\$500,000	\$38	\$30
\$1,000,000	\$53	\$42

Coverage: **Uninsured Motorists BIPD**

Territory 21	Single Car	Multi-Car
Basic Limits		Per Car
\$25,000/\$50,000/\$25,000 BI/PD	\$115	\$92
\$75,000 Single Limit BI/PD	\$140	\$112
<b>Increased Split Limits BI</b>		
\$50/\$100	\$134	\$107
\$100/\$200	\$158	\$126
\$100/\$300	\$158	\$127
\$250/\$500	\$189	\$151
\$300/\$300	\$194	\$155
\$500/\$500	\$209	\$167
\$500/\$1,000	\$210	\$168
\$1,000/\$1,000	\$226	\$181
<b>Increased Split Limits PD</b>		
\$50,000	\$1	\$1
\$100,000	\$2	\$2
\$200,000	\$4	\$3
\$300,000	\$5	\$4
\$500,000	\$6	\$5
\$1,000,000	\$7	\$6
<b>Increased Single Limits</b>		
\$100,000	\$151	\$121
\$200,000	\$176	\$141
\$300,000	\$190	\$152
\$500,000	\$206	\$165
\$1,000,000	\$223	\$178

\* Property Damage Uninsured Motorists Coverage is subject to a \$200 deductible.

Coverage: **Uninsured Motorists BIPD**

Territories 22, 23, 24, and 25	Single Car	Multi-Car
Basic Limits		Per Car
\$25,000/\$50,000/\$25,000 BI/PD	\$63	\$50
\$75,000 Single Limit BI/PD	\$74	\$60
<b>Increased Split Limits BI</b>		
\$50/\$100	\$71	\$57
\$100/\$200	\$82	\$66
\$100/\$300	\$82	\$66
\$250/\$500	\$96	\$77
\$300/\$300	\$98	\$79
\$500/\$500	\$105	\$84
\$500/\$1,000	\$106	\$85
\$1,000/\$1,000	\$113	\$90
<b>Increased Split Limits PD</b>		
\$50,000	\$1	\$1
\$100,000	\$2	\$2
\$200,000	\$4	\$3
\$300,000	\$5	\$4
\$500,000	\$6	\$5
\$1,000,000	\$7	\$6
<b>Increased Single Limits</b>		
\$100,000	\$79	\$63
\$200,000	\$91	\$72
\$300,000	\$97	\$78
\$500,000	\$104	\$83
\$1,000,000	\$112	\$89

\* Property Damage Uninsured Motorists Coverage is subject to a \$200 deductible.

Coverage: **Uninsured Motorists BIPD**

All Remaining Territories	Single Car	Multi-Car
Basic Limits		Per Car
\$25,000/\$50,000/\$25,000 BI/PD	\$39	\$31
\$75,000 Single Limit BI/PD	\$48	\$38
<b>Increased Split Limits BI</b>		
\$50/\$100	\$45	\$36
\$100/\$200	\$52	\$42
\$100/\$300	\$52	\$42
\$250/\$500	\$62	\$50
\$300/\$300	\$63	\$51
\$500/\$500	\$68	\$55
\$500/\$1,000	\$69	\$55
\$1,000/\$1,000	\$74	\$59
<b>Increased Split Limits PD</b>		
\$50,000	\$1	\$1
\$100,000	\$2	\$2
\$200,000	\$4	\$3
\$300,000	\$5	\$4
\$500,000	\$6	\$5
\$1,000,000	\$7	\$6
<b>Increased Single Limits</b>		
\$100,000	\$51	\$41
\$200,000	\$59	\$47
\$300,000	\$64	\$51
\$500,000	\$68	\$55
\$1,000,000	\$74	\$59

\* Property Damage Uninsured Motorists Coverage is subject to a \$200 deductible.

**RLI Insurance Company**

**Arkansas Personal Auto Program Rate Pages**

Coverage: **Underinsured Motorists**

Territory 21	Single Car	Multi-Car
Increased Split Limits BI		Per Car
\$25/\$50	\$47	\$38
\$50/\$100	\$82	\$65
\$100/\$200	\$131	\$105
\$100/\$300	\$131	\$105
\$250/\$500	\$208	\$166
\$300/\$300	\$222	\$177
\$500/\$500	\$265	\$212
\$500/\$1,000	\$267	\$213
\$1,000/\$1,000	\$317	\$253
Increased Single Limits		
\$50,000	\$79	\$63
\$75,000	\$105	\$84
\$100,000	\$127	\$101
\$200,000	\$185	\$148
\$300,000	\$222	\$177
\$500,000	\$265	\$212
\$1,000,000	\$317	\$253

Coverage: **Underinsured Motorists**

Territories 22, 23, 24, and 25	Single Car	Multi-Car
Increased Split Limits BI		Per Car
\$25/\$50	\$40	\$32
\$50/\$100	\$70	\$56
\$100/\$200	\$112	\$89
\$100/\$300	\$112	\$89
\$250/\$500	\$178	\$142
\$300/\$300	\$189	\$152
\$500/\$500	\$227	\$181
\$500/\$1,000	\$228	\$182
\$1,000/\$1,000	\$271	\$217
Increased Single Limits		
\$50,000	\$68	\$54
\$75,000	\$90	\$72
\$100,000	\$108	\$87
\$200,000	\$159	\$127
\$300,000	\$189	\$152
\$500,000	\$227	\$181
\$1,000,000	\$271	\$217

Coverage: **Underinsured Motorists**

All Remaining Territories	Single Car	Multi-Car
Increased Split Limits BI		Per Car
\$25/\$50	\$32	\$26
\$50/\$100	\$56	\$45
\$100/\$200	\$89	\$71
\$100/\$300	\$89	\$72
\$250/\$500	\$142	\$114
\$300/\$300	\$151	\$121
\$500/\$500	\$181	\$145
\$500/\$1,000	\$182	\$146
\$1,000/\$1,000	\$216	\$173
Increased Single Limits		
\$50,000	\$54	\$43
\$75,000	\$72	\$58
\$100,000	\$87	\$69
\$200,000	\$127	\$101
\$300,000	\$151	\$121
\$500,000	\$181	\$145
\$1,000,000	\$216	\$173

**RLI Insurance Company**

**Arkansas Personal Auto Program Rate Pages**

Coverage: **Optional Limits Transportation Expenses**

<u>Limits</u>	Annual Premium	
	<u>Per Auto</u>	
\$30/\$900 Optional Limits Transportation Expense	\$9	
\$40/\$1,200 Optional Limits Transportation Expense	\$17	
\$50/\$1,500 Optional Limits Transportation Expense	\$25	

Coverage: **Towing and Labor Costs**

<u>Limit per Disablement</u>	Annual Premium	
	<u>Per Auto</u>	
\$25	\$4	
\$50	\$6	
\$75	\$8	
\$100	\$10	

Coverage: **Increased Limits for Excess Electronic Equipment**

<u>Maximum Limit</u>	Annual Premium	
	<u>Per Auto</u>	
\$1,500	\$46	
\$2,000	\$91	
\$2,500	\$137	
\$3,000	\$183	
\$3,500	\$229	
\$4,000	\$274	
\$4,500	\$320	
\$5,000	\$366	

Coverage: **Tapes, Records, Disks and Other Media**

<u>Maximum Limit</u>	Annual Premium	
	<u>Per Auto</u>	
\$200	\$15	

Coverage: **Limited Mexico**

Annual premium Per Auto: \$6

Coverage: **Mexico**

Annual Premium Per Auto: \$5

Coverage: **Excess Custom Equipment Coverage**

<u>Maximum Limit</u>	Annual Premium	
	<u>Per Auto</u>	
\$2,000	\$8	
\$3,000	\$24	
\$4,000	\$39	
\$5,000	\$55	
\$6,000	\$71	
\$7,000	\$86	
\$8,000	\$102	
\$9,000	\$118	
\$10,000	\$133	

Coverage: **Trip Interruption**

<u>Maximum Limit</u>	Annual Premium	
	<u>Per Auto</u>	
\$600	\$15	

Coverage: **Work Loss Coverage**

Annual loss cost Per Auto: \$5

Coverage: **Accidental Death Benefit**

Annual loss cost Per Auto: \$3

Coverage: **Replacement Coverage**

<u>Limits</u>	<u>Premium</u>
Reject	\$0
Included	12% of comp/collision premium

Coverage: **Utility Trailer Coverage**

	Rate per \$100 of value
Comprehensive:	0.72
Collision:	0.74

Coverage: **Diminishing Deductibles-4 year benefit**

<u>Deductible Amount</u>	Comp Coll	
	<u>Premium</u>	<u>Premium</u>
\$100	\$4	\$3
\$200	\$5	\$4
\$250	\$6	\$4
\$500	\$9	\$5
\$1,000	\$11	\$7
\$1,500	\$13	\$8
\$2,000	\$15	\$9
\$2,500	\$16	\$11

Coverage: **Diminishing Deductible Express-2 year benefit**

<u>Deductible Amount</u>	Deductible Premiums:	
	<u>Premium</u>	<u>Premium</u>
\$100	\$9	\$5
\$200	\$10	\$8
\$250	\$12	\$9
\$500	\$19	\$10
\$1,000	\$22	\$14
\$1,500	\$26	\$16
\$2,000	\$30	\$18
\$2,500	\$33	\$22

**RLI Insurance Company**

**Arkansas Personal Auto Model Year & Symbol Relativities**

<u>Comprehensive</u>					<u>Collision</u>				
Symbol (a)	2014 (c)	2013 (c)	2012	2011	Symbol (a)	2014 (c)	2013 (c)	2012	2011
1	0.34	0.33	0.31	0.29	1	0.48	0.46	0.44	0.41
2	0.42	0.40	0.38	0.36	2	0.61	0.58	0.55	0.52
3	0.52	0.49	0.47	0.45	3	0.74	0.70	0.67	0.63
4	0.64	0.61	0.58	0.55	4	0.85	0.81	0.77	0.72
5	0.73	0.69	0.66	0.63	5	0.90	0.86	0.82	0.77
6	0.80	0.77	0.73	0.69	6	0.94	0.89	0.85	0.80
7	0.89	0.85	0.81	0.77	7	0.97	0.92	0.88	0.83
8	0.96	0.91	0.87	0.83	8	1.01	0.97	0.92	0.86
10	1.03	0.99	0.94	0.89	10	1.06	1.01	0.96	0.90
11	1.10	1.05	1.00	0.95	11	1.10	1.05	1.00	0.94
12	1.17	1.11	1.06	1.01	12	1.13	1.08	1.03	0.97
13	1.22	1.17	1.11	1.05	13	1.17	1.11	1.06	1.00
14	1.28	1.22	1.16	1.10	14	1.19	1.13	1.08	1.02
15	1.34	1.28	1.22	1.16	15	1.22	1.17	1.11	1.04
16	1.40	1.33	1.27	1.21	16	1.24	1.19	1.13	1.06
17	1.46	1.40	1.33	1.26	17	1.28	1.22	1.16	1.09
18	1.53	1.46	1.39	1.32	18	1.31	1.25	1.19	1.12
19	1.58	1.51	1.44	1.37	19	1.34	1.28	1.22	1.15
20	1.64	1.56	1.49	1.42	20	1.36	1.30	1.24	1.17
21	1.69	1.62	1.54	1.46	21	1.40	1.33	1.27	1.19
22	1.75	1.67	1.59	1.51	22	1.43	1.37	1.30	1.22
23	1.80	1.72	1.64	1.56	23	1.46	1.40	1.33	1.25
24	1.86	1.77	1.69	1.61	24	1.49	1.42	1.35	1.27
25	1.91	1.83	1.74	1.65	25	1.52	1.45	1.38	1.30
26	1.96	1.87	1.78	1.69	26	1.54	1.47	1.40	1.32
27	2.01	1.92	1.83	1.74	27	1.56	1.49	1.42	1.33
28	2.07	1.97	1.88	1.79	28	1.60	1.52	1.45	1.36
29	2.11	2.02	1.92	1.82	29	1.62	1.54	1.47	1.38
30	2.17	2.07	1.97	1.87	30	1.65	1.58	1.50	1.41
31	2.22	2.12	2.02	1.92	31	1.67	1.60	1.52	1.43
32	2.27	2.16	2.06	1.96	32	1.69	1.62	1.54	1.45
33	2.31	2.21	2.10	2.00	33	1.73	1.65	1.57	1.48
34	2.37	2.26	2.15	2.04	34	1.75	1.67	1.59	1.49
35	2.41	2.30	2.19	2.08	35	1.77	1.69	1.61	1.51
36	2.48	2.36	2.25	2.14	36	1.80	1.72	1.64	1.54
37	2.55	2.44	2.32	2.20	37	1.84	1.75	1.67	1.57
38	2.63	2.51	2.39	2.27	38	1.87	1.79	1.70	1.60
39	2.70	2.57	2.45	2.33	39	1.89	1.81	1.72	1.62
40	2.77	2.65	2.52	2.39	40	1.93	1.84	1.75	1.65
41	2.84	2.71	2.58	2.45	41	1.95	1.86	1.77	1.66
42	2.92	2.78	2.65	2.52	42	1.98	1.89	1.80	1.69
43	2.98	2.85	2.71	2.57	43	2.00	1.91	1.82	1.71
44	3.06	2.92	2.78	2.64	44	2.02	1.93	1.84	1.73
45	3.12	2.98	2.84	2.70	45	2.05	1.95	1.86	1.75
46	3.20	3.06	2.91	2.76	46	2.08	1.98	1.89	1.78
47	3.29	3.14	2.99	2.84	47	2.11	2.02	1.92	1.80
48	3.38	3.22	3.07	2.92	48	2.13	2.04	1.94	1.82
49	3.47	3.31	3.15	2.99	49	2.17	2.07	1.97	1.85
50	3.54	3.38	3.22	3.06	50	2.20	2.10	2.00	1.88
51	3.63	3.47	3.30	3.14	51	2.23	2.13	2.03	1.91
52	3.72	3.55	3.38	3.21	52	2.26	2.15	2.05	1.93
53	3.80	3.62	3.45	3.28	53	2.29	2.18	2.08	1.96
54	3.93	3.75	3.57	3.39	54	2.33	2.23	2.12	1.99
55	4.09	3.91	3.72	3.53	55	2.39	2.28	2.17	2.04
56	4.27	4.07	3.88	3.69	56	2.45	2.34	2.23	2.10
57	4.44	4.24	4.04	3.84	57	2.52	2.40	2.29	2.15
58	4.72	4.50	4.29	4.08	58	2.63	2.51	2.39	2.25
59	5.08	4.85	4.62	4.39	59	2.76	2.64	2.51	2.36
60	5.46	5.21	4.96	4.71	60	2.89	2.76	2.63	2.47
61	5.84	5.58	5.31	5.04	61	3.06	2.92	2.78	2.61
62	6.24	5.95	5.67	5.39	62	3.26	3.11	2.96	2.78
63	6.64	6.34	6.04	5.74	63	3.44	3.29	3.13	2.94
64	7.05	6.73	6.41	6.09	64	3.64	3.48	3.31	3.11
65	7.45	7.11	6.77	6.43	65	3.83	3.65	3.48	3.27
66	8.05	7.69	7.32	6.95	66	4.11	3.93	3.74	3.52
67	8.87	8.46	8.06	7.66	67	4.50	4.29	4.09	3.84
68	9.67	9.23	8.79	8.35	68	4.88	4.66	4.44	4.17
69	10.47	10.00	9.52	9.04	69	5.27	5.03	4.79	4.50
70	11.29	10.77	10.26	9.75	70	5.64	5.39	5.13	4.82
71	12.10	11.55	11.00	10.45	71	6.03	5.75	5.48	5.15
72	12.91	12.33	11.74	11.15	72	6.41	6.12	5.83	5.48
73	13.73	13.10	12.48	11.86	73	6.80	6.49	6.18	5.81
74	14.54	13.88	13.22	12.56	74	7.18	6.86	6.53	6.14
75	15.36	14.66	13.96	13.26	75	7.57	7.22	6.88	6.47

(a) 75 Symbol Table applies to 2011 and later model years. Refer to Rule 12 for rating Symbol 98 vehicles.

**RLI Insurance Company**

**Arkansas Personal Auto Model Year & Symbol Relativities-Comprehensive**

Symbol (b)	2010	2009	2008	2007	2006	2005	2004	2003	2002
1	0.34	0.33	0.31	0.29	0.28	0.27	0.25	0.24	0.23
2	0.44	0.42	0.40	0.38	0.36	0.34	0.32	0.31	0.29
3	0.53	0.51	0.48	0.45	0.44	0.41	0.39	0.37	0.35
4	0.60	0.58	0.54	0.52	0.50	0.47	0.44	0.42	0.40
5	0.68	0.65	0.61	0.58	0.56	0.53	0.50	0.47	0.45
6	0.76	0.72	0.68	0.65	0.62	0.59	0.55	0.53	0.50
7	0.83	0.79	0.75	0.71	0.68	0.64	0.61	0.58	0.55
8	0.90	0.86	0.81	0.77	0.74	0.70	0.66	0.63	0.60
10	0.98	0.94	0.88	0.84	0.81	0.76	0.72	0.69	0.65
11	1.08	1.03	0.97	0.92	0.89	0.84	0.79	0.76	0.72
12	1.18	1.13	1.06	1.01	0.97	0.92	0.86	0.83	0.79
13	1.29	1.23	1.16	1.10	1.06	1.00	0.94	0.90	0.86
14	1.40	1.34	1.26	1.20	1.15	1.09	1.03	0.98	0.94
15	1.55	1.48	1.39	1.32	1.27	1.20	1.14	1.08	1.03
16	1.68	1.61	1.51	1.44	1.38	1.31	1.23	1.18	1.12
17	1.82	1.74	1.64	1.56	1.49	1.41	1.33	1.27	1.21
18	1.94	1.86	1.75	1.66	1.60	1.51	1.43	1.36	1.30
19	2.11	2.01	1.90	1.80	1.73	1.64	1.54	1.47	1.40
20	2.29	2.18	2.06	1.96	1.88	1.78	1.68	1.60	1.52
21	2.49	2.38	2.24	2.13	2.05	1.94	1.83	1.75	1.66
22	2.75	2.63	2.48	2.36	2.26	2.14	2.02	1.93	1.84
23	3.03	2.90	2.73	2.59	2.49	2.36	2.22	2.12	2.02
24	3.45	3.29	3.10	2.95	2.83	2.68	2.53	2.41	2.30
25	4.04	3.86	3.64	3.46	3.32	3.14	2.96	2.83	2.69
26	4.65	4.45	4.19	3.98	3.83	3.62	3.41	3.26	3.10

Symbol (b)	1990-2000	1981-1989	1980&Prior
		(d)	(e)
1	0.22	0.12	0.12
2	0.28	0.12	0.12
3	0.34	0.12	0.12
4	0.38	0.12	0.12
5	0.43	0.14	0.14
6	0.48	0.22	0.22
7	0.52	0.28	0.28
8	0.57	0.36	0.36
10	0.62	0.46	0.46
11	0.68	0.55	0.55
12	0.75	0.65	0.65
13	0.82	0.78	0.78
14	0.89	0.93	0.99
15	0.98	1.11	
16	1.07	1.29	
17	1.15	1.50	
18	1.23	1.74	
19	1.33	2.02	
20	1.45	2.36	
21	1.58	2.95	
22	1.74		
23	1.92		
24	2.18		
25	2.56		
26	2.95		

(b) 27 Symbol table applies to 1990-2010 model years. Refer to PVM Rule 12 for symbol 27 vehicles.

(c) 2012 relativities are 1.05 times the 75 Symbol Table 2009 relativities.

2013 relativities are 1.10 times the 75 Symbol Table where 1.10 = 1.05 times 1.05 rounded.

(d) 21 Symbol table applies to 1981-1989 model years.

(e) 14 Symbol table applies to 1976-1980 model years.

**RLI Insurance Company**

**Arkansas Personal Auto Model Year & Symbol Relativities-Collision**

Symbol (b)	2010	2009	2008	2007	2006	2005	2004	2003	2002
1	0.55	0.51	0.47	0.43	0.41	0.38	0.36	0.34	0.32
2	0.62	0.58	0.53	0.49	0.46	0.43	0.41	0.39	0.36
3	0.68	0.64	0.59	0.54	0.51	0.48	0.45	0.42	0.39
4	0.72	0.68	0.62	0.57	0.54	0.51	0.48	0.45	0.42
5	0.76	0.71	0.65	0.60	0.57	0.53	0.50	0.47	0.44
6	0.79	0.75	0.68	0.63	0.59	0.56	0.52	0.50	0.46
7	0.84	0.79	0.72	0.67	0.63	0.59	0.55	0.52	0.48
8	0.88	0.83	0.76	0.70	0.66	0.62	0.58	0.55	0.51
10	0.92	0.87	0.80	0.74	0.69	0.65	0.61	0.58	0.54
11	0.97	0.91	0.84	0.77	0.73	0.68	0.64	0.61	0.56
12	1.01	0.95	0.87	0.81	0.76	0.71	0.67	0.63	0.59
13	1.06	1.00	0.92	0.85	0.80	0.75	0.70	0.67	0.62
14	1.13	1.06	0.97	0.90	0.84	0.79	0.74	0.70	0.65
15	1.21	1.14	1.04	0.96	0.90	0.85	0.79	0.75	0.70
16	1.27	1.20	1.09	1.01	0.95	0.89	0.84	0.79	0.73
17	1.34	1.26	1.16	1.06	1.00	0.94	0.88	0.84	0.78
18	1.41	1.33	1.22	1.12	1.06	0.99	0.93	0.88	0.82
19	1.48	1.39	1.28	1.18	1.11	1.04	0.97	0.92	0.86
20	1.55	1.46	1.34	1.23	1.16	1.09	1.02	0.97	0.90
21	1.62	1.53	1.40	1.29	1.21	1.14	1.07	1.01	0.94
22	1.71	1.61	1.47	1.36	1.28	1.20	1.13	1.07	0.99
23	1.80	1.70	1.56	1.44	1.35	1.27	1.19	1.13	1.05
24	1.94	1.83	1.68	1.55	1.46	1.37	1.28	1.22	1.13
25	2.16	2.04	1.87	1.72	1.62	1.53	1.43	1.35	1.25
26	2.38	2.25	2.06	1.90	1.79	1.68	1.57	1.49	1.38

Symbol (b)	1990-2000	1981-1989	1980&Prior	
		(d)	(e)	
1	0.30	0.20	0.20	
2	0.34	0.20	0.20	
3	0.37	0.20	0.20	(b) 27 Symbol table applies to 1990-2010 model years. Refer to PVM Rule 12 for symbol 27 vehicles.
4	0.39	0.20	0.20	
5	0.41	0.25	0.25	(c) 2012 relativities are 1.05 times the 75 Symbol Table 2009 relativities.
6	0.43	0.30	0.30	2013 relativities are 1.10 times the 75 Symbol Table where 1.10 = 1.05 times 1.05 rounded.
7	0.46	0.34	0.34	
8	0.48	0.38	0.38	(d) 21 Symbol table applies to 1981-1989 model years.
10	0.50	0.42	0.42	
11	0.53	0.47	0.47	(e) 14 Symbol table applies to 1976-1980 model years.
12	0.55	0.51	0.51	
13	0.58	0.57	0.57	
14	0.61	0.63	0.66	
15	0.66	0.71		
16	0.69	0.79		
17	0.73	0.86		
18	0.77	0.93		
19	0.81	1.01		
20	0.84	1.11		
21	0.88	1.30		
22	0.93			
23	0.98			
24	1.06			
25	1.18			
26	1.30			

# RLI Insurance Company

## Arkansas Auto Product

### Underwriting Rules

#### I. DEFINITIONS

##### A. Private Passenger Auto

1. A private passenger auto is a four wheel motor vehicle, other than a truck type, owned or leased under contract for a continuous period of at least six months, and
    - a. Not used as a public or livery conveyance for passengers,
    - b. Not rented to others.
  2. A motor vehicle that is a pickup or van will be considered a private passenger auto, if it:
    - a. Has a Gross Vehicle Weight Rating of 10,000 lbs. or less, or is a vehicle with a Gross Vehicle Weight Rating greater than 10,000 lbs. for which a symbol is displayed in the Symbol and Identification section; and
    - b. Is not used for the delivery or transportation of goods or materials unless such use is:
      - (1) Incidental to the insured's business of installing, maintaining or repairing furnishings or equipment, or
      - (2) For farming or ranching.
    - c. A pickup or van used in the business of the United States Government, by an employee of the Government, will be considered a private passenger auto only if:
      - (1) It meets the conditions in a. and b. above; and
      - (2) Coverage is limited in accordance with the federal employees using autos in government business endorsement (**PP 03 01**).
  3. A motor vehicle owned by a farm family co-partnership, or farm family corporation will be considered a private passenger auto owned by two or more relatives who are residents of the same household if:
    - a. It is principally garaged on a farm or ranch, and
    - b. It otherwise meets the definitions in 1. and 2. above.
- B.** Auto as used in these rules refers to a private passenger auto or a vehicle considered as a private passenger auto.
- C.** Liability as used in these rules refers only to Bodily Injury and Property Damage Coverages.
- D.** Single Limit Liability as used in these rules refers to one limit of liability that covers both Bodily Injury and Property Damage.
- E.** Comprehensive Coverage as used in these rules refers to other than collision damage to a motor vehicle.
- F.** Owned as used in these rules includes:
1. An auto leased under contract for a continuous period of at least six months. If an auto lease contract requires the lessee to provide primary insurance for the lessor, attach the additional insured-lessor endorsement (**PP 03 19**).
  2. A vehicle owned by a trust. Refer to Rule **II.C.** for eligibility requirements applicable to vehicles owned by a trust.
  3. A vehicle owned by a Limited Liability Company (LLC), as long as either of the following is met:
    - a. The only member of the LLC is an individual; or
    - b. The only members of the LLC are husband and wife.
  4. A vehicle owned by a partnership, as long as the only partners of the partnership are husband and wife.
- G.** Gross Vehicle Weight Rating as used in these rules refers to the maximum loaded weight for which a single vehicle is designed, as specified by the manufacturer.

# RLI Insurance Company

## Arkansas Auto Product

### Underwriting Rules

#### II. PERSONAL AUTO POLICY - ELIGIBILITY

- A.** A Personal Auto Policy will be used to afford coverage to private passenger autos and motor vehicles considered as private passenger autos in Rule I., if:
1. They are written on a specified auto basis, and
    - a. They are owned by an individual or by a husband and wife who are residents in the same household. Both husband and wife who are residents in the same household may be listed as named insureds on the declarations page; or
    - b. They are owned by a Limited Liability Company (LLC) and the only member of the LLC is an individual or the only members of the LLC are husband and wife who are residents in the same household. The LLC will be listed as the named insured on the declarations page; or
    - c. They are owned by a partnership and the only partners are a husband and wife who are residents in the same household. The partnership will be listed as the named insured on the declarations page.
  2. If they are owned by a LLC or a partnership, all vehicles insured under the policy must be owned by the LLC or partnership.
- B.** A Personal Auto Policy will be used to afford coverage to private passenger autos, and pickups and vans as defined in Rule I., that are owned jointly by two or more:
1. Resident relatives other than husband and wife;
  2. Resident individuals; or
  3. Non-resident relatives, including a non-resident husband and wife;  
If:
    - a. They are written on a specified auto basis; and
    - b. The policy affords coverage only for such private passenger autos, pickups or vans which are jointly owned; and
    - c. The Joint Ownership Coverage endorsement (**PP 03 34**) is attached. Refer to the endorsement for the extent of coverage.

**Note**

The insurer may elect to not apply the non-owned auto liability coverage exclusion under the Joint Ownership Coverage endorsement (**PP 03 34**).

- C.** A Personal Auto Policy will be used to afford coverage to:
1. Private passenger autos and motor vehicles considered as private passenger autos in Rule I. if title is held in a trust, subject to the following requirements:
    - a. The grantor of the trust must be:
      - (1) An individual or a husband and wife; and
      - (2) The only named insured(s) shown in the Declarations.
    - b. All vehicles insured under the policy must be owned by the trust.
    - c. The Trust Endorsement (**PP 13 03**) is attached to the policy.

**D. Unacceptable Risks**

The following risks are unacceptable in this program:

1. Risks which include operators who do not possess a valid driver's license, unless the driver can be excluded under state law.
2. Vehicles without a garaging address.
3. Vehicles registered or garaged in states without a filed program.
4. Vehicles used for:
  - racing/speed tests;
  - pick-up or delivery of goods, limousine, or taxi service;
  - emergency services;
  - all other business or commercial purposes unless approved by the company.
5. Risks which include operators with a suspended/revoked or canceled driver's license, unless the driver can be excluded under state law.
6. Risks which include any drivers that require a financial responsibility filing, unless the driver can be excluded under state law.

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7. Risks which include any drivers with excessive violations, accidents or claims over the past 3 years. Excessive violations are defined as the following:
  - Any combination of minor violations, major violations or at fault accidents that totals more than five.
  - More than two at fault accidents.
  - More than 1 major violation.This will not apply to a driver that can be excluded under state law.
8. Migratory risk / seasonal occupation / transient risks.
9. Vehicles garaged / registered in the United States but owned by a Canadian citizen or citizens.
10. Vehicles with a salvage title or a vehicle which was previously declared a total loss.
11. Risks which have been canceled more than 3 times for non-payment or underwriting reasons or non-renewed by another insurance company in the last three years (except where prohibited by state law).
12. Any vehicle which does not meet the definition of private passenger auto in Rule I.
13. Any vehicle which has any combination of cooking, sleeping or bathroom facilities, or that would qualify as a recreation vehicle under the Company's recreation vehicle program.

### III. PREMIUM DETERMINATION

Single Limit Liability, or Bodily Injury Liability and Property Damage Liability; Medical Payments; Comprehensive and Collision premiums are determined as follows:

- A. Refer to the Classification Rule to determine the applicable Classification, Rating Factor and Statistical Code.
- B. **Model Year and Symbol Determination**
  1. **1998 & Later Model Years**
    - a. Refer to the Model Year/Age Group Rule to determine the model year/age of the auto and refer to the ISO Symbol and Identification Section for the appropriate symbol of the auto. When model year is used in rating and the rates for a model year are not displayed in the Rate Pages, use the rates shown for the latest model year.
    - b. If no Rating Symbol is shown in the Symbol and Identification (S&I) Section, use the following procedure to determine an interim rating symbol:
      - (1) If the ISO S&I Section displays a rating symbol for the Prior Model Year version of the same vehicle, use the prior model year's Rating Symbol for the new model year vehicle.
      - (2) If the ISO S&I Section does **not** display a rating symbol for the Prior Model Year version of the same vehicle, assign a symbol based on the cost new of the auto, using the Price/Symbol Chart located in the reference pages of the S&I Section.

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2. 1997 & Prior Model Years

- a. Determine the amount of coverage applicable to the vehicle.
- b. Assign a symbol based on the amount from a. above based on the chart shown below:

Price/Symbol Chart

Symbol	Price New Range
01	\$ 0 - \$6,500
02	\$6,501 - \$8,000
03	\$8,001 - \$9,000
04	\$9,001 - \$10,000
05	\$10,001 - \$11,250
06	\$11,251 - \$12,500
07	\$12,501 - \$13,750
08	\$13,751 - \$15,000
10	\$15,001 - \$16,250
11	\$16,251 - \$17,500
12	\$17,501 - \$18,750
13	\$18,751 - \$20,000
14	\$20,001 - \$22,000
15	\$22,001 - \$24,000
16	\$24,001 - \$26,000
17	\$26,001 - \$28,000
18	\$28,001 - \$30,000
19	\$30,001 - \$33,000
20	\$33,001 - \$36,000
21	\$36,001 - \$40,000
22	\$40,001 - \$45,000
23	\$45,001 - \$50,000
24	\$50,001 - \$60,000
25	\$60,001 - \$70,000
26	\$70,001 - \$80,000
27	\$80,001 and above: Refer to <b>Rule 12.</b> for rating instructions.

c. Attach endorsement (**PP 03 08**).

- C. Refer to Territory Definitions to determine the territory code for the location where the auto is principally garaged.

**Note**

When a risk is statutorily required to have, or is eligible for, a coverage that is not available in the territory of garaging, use the registration address to determine the territory for that coverage.

- D. Refer to the Rate pages to determine base rates for the desired coverage for the appropriate territory.
- E. When a surcharge is applicable under the Certified Risk – Financial Responsibility Laws Rule, the surcharge is to be applied to the liability premium determined by the foregoing provisions.

**F. College Graduate Scholastic Achievement Discount**

- 1. A 5% discount on Bodily Injury and Property Damage Liability (or Single Limit Liability), Medical Payments, Comprehensive and Collision coverage premiums will be afforded to those insureds who meet the College Graduate Scholastic Achievement Discount eligibility criteria set forth in 2. below.

The discount will be afforded to the one vehicle that the eligible insured operates most frequently.

2. Eligibility

An insured is eligible for this discount if:

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- a. He or she is under twenty-five years old and has graduated from a college or university, and
  - b. His or her cumulative scholastic record shows that he or she attained one of the following:
    - (1) A grade average of "B" or higher, if letter grades are used, or
    - (2) At least a 3 point average on a 4 point scale (or equivalent).
- An insured is **not** eligible for this discount if he or she is a married operator on the policy.
- 3. This discount will be provided to each eligible insured on the policy who qualifies for the discount.

#### IV. CLASSIFICATIONS

Refer to Arkansas Class Plan Pages for the Primary and Secondary Classification Rating Factors and Statistical Code Tables that apply.

Refer to Section **C.** below for definitions of terms used in this rule.

- A.** Autos owned by an individual, owned jointly by two or more relatives or resident individuals, owned by a LLC, owned by a partnership or owned by a trust are classified as follows:

- 1. Primary Classification

- a. Classify the auto according to the age, sex and marital status of the operators (named insured and all resident operators), the use of the auto and the eligibility of youthful operators for the Driver Training and/or Good Student classes, and
- b. Determine the applicable factor from the Primary Rating Factor tables in Rule **XXI**.

- 2. Secondary Classification

- a. Determine if the auto is:

- (1) A single car, or
- (2) Part of a multi-car risk.

- (a) The applicable Multi-Car Rating Factor applies if more than one private passenger auto is owned by an individual or owned jointly by two or more relatives or resident individuals, and two or more autos are insured in the same company for any of the following coverages: single limit liability (or bodily injury and property damage liability,) medical payments, no-fault, comprehensive or collision.

- b. Refer to the Driver Surcharge Plan, to classify operators according to the provisions of the Plan.

- c. Refer to the Secondary Rating Factor table to determine the appropriate factor to be added to, or subtracted from the Primary Rating Factor.

- 3. The Primary Classification will be then added to the Secondary Classification. An average driver class will then be calculated for all drivers and the average driver classification will be used to determine the final rating factor for all vehicles.

- 4. The named insured may elect to exclude any otherwise applicable operators, except for the named insured. Any operator that is excluded will not be used in the determination of the driver classification in **1.**, **2.** or **3.** above. Attach the state specific driver exclusion endorsement (**PP 13 37**).

- B. Private Passenger Autos Owned by Farm Family Co-partnerships, or Farm Family Corporations and Covered by a Personal Auto Policy**

A private passenger auto owned by a farm family co-partnership or farm family corporation, and principally garaged on a farm or ranch will be classified and rated in accordance with Rule **IV.A.**, provided that vehicle is:

- 1. Not used in an occupation other than farming or ranching, or
- 2. Used only in driving to or from work.

- C. Definitions**

- 1. Use Classifications

- a. **BUSINESS USE** means that the use of the auto is required by or customarily involved in the duties of the applicant or any other person customarily operating the auto, in an occupation, profession or business, other than going to or from the place of occupation, profession or business.
- b. **FARM USE** means the auto is principally garaged on a farm or ranch, and

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- (1) It is not customarily used in going to or from work other than farming or ranching, or driving to or from school, and
- (2) It is not customarily used in any occupation other than farming or ranching.
- c. PLEASURE USE means:
  - (1) No BUSINESS USE OR FARM USE.
  - (2) Personal use including driving to or from work or school:
    - (a) Less than 3 road miles one way; or
    - (b) 3 or more, but less than 15, road miles one way for not more than 2 days per week or not more than 2 weeks in any 5 week period.
- d. WORK LESS THAN 15 MILES means:
  - (1) No BUSINESS USE OR FARM USE.
  - (2) Personal use including driving to or from work or school:
    - (a) 3 or more, but less than 15, road miles one way if such usage is more than 2 days per week or more than 2 weeks per 5 week period; or
    - (b) 15 or more road miles one way, for not more than 2 days per week or not more than 2 weeks in any 5 week period.
- e. WORK 15 OR MORE MILES means:
  - (1) No BUSINESS USE OR FARM USE.
  - (2) Personal use including driving to or from work or school 15 or more road miles one way more than 2 days per week or more than 2 weeks in any 5 week period.
- f. An auto driven part way to or from work or school, such as to a railroad or bus depot, whether or not the auto is parked at the depot during the day, will be considered as driving to or from work or school.

#### LIABILITY

- g. An auto used in the business of the U.S. Government by one of its employees may be classified and rated as PLEASURE USE, WORK LESS THAN 15 MILES or WORK 15 OR MORE MILES when the federal employees using autos in government business endorsement (**PP 03 01**) is used to limit coverage.
- 2. Age, Sex and Marital Status Classifications
  - a. YOUTHFUL OPERATOR means an applicant or any other operator resident in the same household as the applicant, who customarily operates the auto, or any other person who customarily operates the auto, who is one of the following:
    - (1) YOUTHFUL UNMARRIED MALE OPERATOR – unmarried male under 25 years of age who is not an owner;
    - (2) YOUTHFUL UNMARRIED MALE OWNER OR OPERATOR – unmarried male under 30 years of age who is an owner;
    - (3) YOUTHFUL MARRIED MALE OPERATOR – married male under 25 years of age;
    - (4) YOUTHFUL UNMARRIED FEMALE OPERATOR – unmarried female under 25 years of age who is not an owner;
    - (5) YOUTHFUL UNMARRIED FEMALE OWNER OR OPERATOR – unmarried female under 30 years of age who is an owner;
    - (6) YOUTHFUL MARRIED FEMALE OPERATOR – married female under 25 years of age.
  - b. NO YOUTHFUL OPERATOR means:
    - (1) A Youthful Operator classification is not applicable to the auto, and
    - (2) The applicant or any other operator resident in the same household as the applicant who customarily operates the auto, or any other person who customarily operates the auto, is one of the following:
      - (a) Operator Age 30-39
      - (b) Operator Age 40-49
      - (c) Operator Age 50-64
      - (d) Operator Age 65-74
      - (e) Operator Age 75-79
      - (f) Operator Age 80-84
      - (g) Operator Age 85 or Over

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- (h) All Other Operators Age 25-29: Operators who are ages 25-29 but who are not eligible for any Youthful Operator classification.
- c. AGE means the age attained on the last birthday prior to the policy effective date.
- d. MARRIED means a married person living with his or her spouse and includes a person who is widowed.
- e. RESIDENT means anyone residing in the same household, including a relative who is away at college.

**Exceptions:**

- 1. A person in active military service with the armed forces of the United States of America is not considered a resident in the applicant's household unless this person customarily operates the auto.
- 2. If a YOUTHFUL UNMARRIED FEMALE OPERATOR or a YOUTHFUL UNMARRIED MALE OPERATOR is a student residing at an educational institution over 100 road miles from the auto's place of garaging, the driver is rated as if the student is MARRIED.
- 3. Excess Autos – Classify autos in excess of the number of operators as follows:
  - a. If all operators on the policy are age 40-74, the Excess Autos 2 (All Operators Age 40-74) classification will apply to the autos in excess of the number of operators.
  - b. If not all operators on the policy are age 40-74, the Excess Autos 1 classification will apply to the autos in excess of the number of operators.

<b>Excess Autos 1</b>	1.00 Code 8990
<b>Excess Autos 2 (All operators Age 40-74)</b>	0.80 Code 8980

- c. The excess autos factor will not apply to comprehensive coverage.
- 4. TOTAL BASE PREMIUM is the sum of the base premium for single limit liability or bodily injury and property damage liability, medical payments, no-fault, comprehensive and collision coverages that apply to the auto.
- 5. Driver Training  
The applicable Driver Training Classification applies to each Youthful Operator under 21 years of age where "Satisfactory Evidence" is presented that such operator has successfully completed a driver education course meeting the following standards:
  - a. The course included a minimum of 30 clock hours of classroom instruction plus a minimum of 6 clock hours of actual driving experience per student. These requirements may be met in either of the following ways:
    - (1) A minimum of 6 clock hours per student of actual driving experience exclusive of observation time in the car. In this case, part of the required 30 clock hours of classroom instruction can be met by the time spent in an approved simulated practice driving trainer. Use of the driving trainer must be authorized by the State Department of Education or other responsible educational agency.
    - (2) A minimum of 3 clock hours per student of actual driving experience exclusive of observation-time in the car, and a minimum of 12 clock hours per student in an approved practice driving trainer. In this case only time spent in excess of 12 clock hours may be counted as part of the required 30 clock hours of classroom instruction. Use of the driving trainer must be authorized by the State Department of Education or other responsible educational agency.
  - b. The course was conducted by instructors certified by the State Department of Education or other responsible educational agency, and
  - c. The course was conducted by a recognized secondary school, college or university and had the approval of the State Department of Education or other responsible educational agency, or
  - d. The course was conducted by other schools, and such course and school had the approval and supervision of the State Department of Education or other responsible educational agency; or

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- e. The course was conducted by a commercial driving school under the jurisdiction of the Motor Vehicle Department, provided that by Statute or Regulation such school meets the same requirements as schools having official sanction from the responsible state educational agency.
  - f. "Satisfactory Evidence" is a certificate signed by a school official certifying to the fulfillment of the requirements in **a.**, **b.**, and **c.**, or **d.** or **e.** above.
6. Good Student  
The applicable Good Student Classification applies provided:
- a. The owner or operator is –
    - (1) At least 16 years of age, and
    - (2) A full time high school, college or university student.
  - b. A certified statement from a school official is presented to the Company on each anniversary date of the policy indicating that the student has met one of the following requirements during the immediately preceding school semester.
    - (1) Is in the upper 20% of his/her class scholastically, or
    - (2) Maintains a "B" average, or its equivalent. If the letter grading system can not be averaged then no grade can be below "B."
    - (3) When in a school maintaining a numerical grade, must have at least a 3 in a 4, 3, 2, 1 point system or its equivalent.
    - (4) Student is included in a "Dean's List," "Honor Roll" or comparable list indicating scholastic achievement.
  - c. A classification change resulting from a change in the scholastic standing of the student will not be effected between anniversary dates of the policy.
7. Vehicles Equipped With Anti-Theft Devices  
These discounts apply to comprehensive coverage only. To qualify, the vehicle must be equipped with:
- a. A hood lock which can be released only from inside the vehicle, and
  - b. A device meeting the criteria of either Paragraph (1.) or (2.) below.  
If a vehicle is equipped with more than one qualifying device, only the single highest discount will apply. Evidence of the installation of an anti-theft device meeting the following criteria must be provided prior to granting a discount.
    - (1) Alarm ONLY (Cov. Code 1) and Active Disabling Devices (Cov. Code 2)  
A 5% discount on Comprehensive Coverage will be afforded on vehicles equipped with (1) alarm only devices which sound an audible alarm that can be heard at a distance of at least 300 feet for a minimum of three minutes, or (2) active disabling devices which disable the vehicle by making the fuel, ignition or starting system inoperative. A disabling device is categorized as active if a separate manual step IS required to engage the device.
    - (2) Passive Disabling Devices (Cov. Code 3)  
A 15% discount on Comprehensive Coverage will be afforded on vehicles equipped with passive disabling devices which disable the vehicle by making the fuel, ignition or starting system inoperative. A disabling device is categorized as passive if a separate manual step is NOT required to engage the device.
8. Safety Equipment Discounts
- a. Passive Restraint Discount  
The following discounts apply to Medical Payments and/or any No-Fault Coverage **only**. To qualify, the private passenger auto must be equipped with a factory installed automatic occupant restraint, conforming to the federal crash protection requirements, and meeting the criteria of either Paragraph (1) or (2) below:
    - (1) 20% discount will be afforded when the restraint is installed in the driver-side only position.
    - (2) 30% discount will be afforded when the restraints are installed in both front outboard seat positions.
  - b. Anti-Lock Braking System Discount

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A 5% discount for Bodily Injury and Property Damage Liability (or Single Limit Liability) coverages will be afforded for those private passenger autos equipped with a factory installed four wheel Anti-Lock Braking System (ABS). Satisfactory evidence of factory installation of an Anti-Lock Braking System must be provided prior to granting a discount.

#### 9. Other Discounts

##### a. Homeowner's Discount

A 5% discount applies to bodily injury/ property damage, medical payments, no-fault (if applicable), comprehensive and collision.

##### b. Transfer Discount

A 5% discount applies to all coverages. To qualify, the current agent be the policyholder's servicing agent for the past twelve (12) months and the agency is able to certify that the policyholder has been loss free for the past twelve (12) months on all vehicles to be covered under this program.

##### c. Multi-policy Discount

If the company also provide a policy to the named insured insuring one of the following vehicle types, a 20% discount will apply to all coverages:

- (1) Conventional Motor Home (Class A)
- (2) Mini-motor home (Class C)
- (3) Camper van (Class B)
- (4) Bus conversion
- (5) Medium duty tow vehicle
- (6) Converted medium duty tow vehicle

If the company also provide a policy to the named insured insuring one of the following vehicle types, a 12% discount will apply to all coverages:

- (1) Conventional travel trailer
- (2) Fifth wheel camper
- (3) Pop-up camper

#### 10. Pickups and Vans

a. Liability and Physical Damage: Rate as private passenger auto.

b. For pickups without an applicable symbol, determine a symbol based on original cost new from the Price/Symbol Charts in the Symbol and Identification Manual.

c. Refer to Rule **XIV.H.** for rating of custom equipment on pickups and vans.

#### D. Insurance Scoring

1. Insurance scoring factors will not be used for risks where the named insured has an international driver's license.

2. Insurance Score Tier Factors:

a. Level A: insurance score of 906 or greater. Factor is .80.

b. Level B: insurance score between 883 and 905, inclusive. Factor is .904.

c. Level C: insurance score between 852 and 882, inclusive. Factor is 1.00.

d. Level D: insurance score between 810 and 851, inclusive. Factor is 1.20.

e. Level E: insurance score of 809 or less. Factor is 1.35.

f. Level F: no insurance score generated due to insufficient credit. Factor is 1.00.

g. Level Z: no insurance score generated because of no match in credit file. Factor is 1.00.

3. Insurance scoring factors will apply to the following coverages:

a. Bodily Injury/Property Damage

b. Medical Payments

c. Comprehensive

d. Collision

e. Replacement Cost Coverage

f. Diminishing Deductible Coverage

g. Personal Injury Protection

4. If the company has obtained an insurance score for another policy or quote provided to the named insured within ninety (90) days of the request for a quote under this program, that insurance score will be used for the quote provided under this program as well.

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5. Insurance scores will be obtained on the named insured as follows:
  - a. If the named insured is a trust, we will obtain an insurance score on the first named trustee.
  - b. If the named insured is a LLC, we will obtain an insurance score on the first named member.
  - c. If the named insured is a partnership, we will obtain an insurance score on the first named partner.
6. An insurance score will be obtained for new business and at each renewal.

#### **E. Motor Vehicle Accident Prevention Course Discount**

##### **LIABILITY, MEDICAL PAYMENTS AND COLLISION**

1. The Motor Vehicle Accident Prevention Course Discount applies to the premiums for single limit liability or bodily injury and property damage liability, medical payments, and collision coverages.

##### **Exception**

This discount does not apply to vehicles classified and rated under the Miscellaneous Types Rule unless otherwise specified.

2. Private Passenger Autos principally operated by an adult operator will be subject to a Motor Vehicle Accident Prevention Course Discount of 10% provided the adult principal operator of the auto:
  - a. Is age 55 or over, and
  - b. Has a completion certificate, dated within the last 36 months, certifying that the principal operator has successfully completed an approved Motor Vehicle Accident Prevention Course.
3. The 10% Motor Vehicle Accident Prevention Course Discount will be applied in accordance with the following:
  - a. Only to the auto principally operated by the operator with the course completion certificate.
  - b. Only once to each such auto regardless of the number of operators with course completion certificates.
4. An approved Motor Vehicle Accident Prevention Course will:
  - a. Be approved by the Arkansas Department of Motor Vehicles, and
  - b. Be taught by an approved instructor, and
  - c. Include the minimum hours of classroom and field driving instruction prescribed by the Arkansas Department of Motor Vehicles, and
  - d. Will not be self-instructed.

#### **V. DRIVER SURCHARGE PLAN**

##### **A. Eligibility**

All autos rated under these rules will be subject to the Driver Surcharge Plan.

##### **B. Definitions**

###### **1. Driving Record Points**

###### **a. Convictions**

Points will be assigned for convictions during the experience period for motor vehicle violations of the applicant/named insured or any current resident operator as follows:

(1) Three points are assigned for conviction of:

- (a) Driving while intoxicated or under the influence of drugs; or
- (b) Failure to stop and report when involved in an accident; or
- (c) Homicide or assault arising out of the operation of a motor vehicle; or
- (d) Driving while license is suspended or revoked.

(2) One point is assigned for conviction of any other moving traffic violation in excess of 1 moving traffic violation during the experience period.

###### **b. Accidents**

Points will be assigned for each accident that occurred during the experience period, involving the applicant or any current resident operator, while operating an auto.

(1) One point is assigned for each auto accident that results in:

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- (a) Bodily injury, or death; or
  - (b) Total damage to all property, including his or her own, in excess of \$1,000.
  - (2) One point is assigned if, during the experience period there were two or more accidents each of which resulted in damage to property but have not been assigned a point under (1) above.  
**Exceptions:**
    - (a) No points are assigned for accidents incurred by an operator demonstrated to be a named insured or a operator of an auto insured under a separate policy; and
    - (b) No points are assigned for accidents occurring under the following circumstances:
      - (i) Auto lawfully parked (if the parked vehicle rolls from the parked position then any such accident is charged to the person who parked the auto); or
      - (ii) The applicant, owner or other resident operator reimbursed by, or on behalf of, a person who is responsible for the accident or has judgment against such person; or
      - (iii) Auto is struck in the rear by another vehicle and the applicant or other resident operator has not been convicted of a moving traffic violation in connection with this accident, or
      - (iv) Operator of the other auto involved in the accident was convicted of a moving traffic violation and the applicant or resident operator was not convicted of a moving traffic violation in connection with the accident; or
      - (v) Auto operated by the applicant or any resident operator is struck by a "hit-and-run" vehicle, if the accident is reported to the proper authority within 24 hours by the applicant or resident operator; or
      - (vi) Accidents involving damage by contact with animals or fowl; or
      - (vii) Accidents involving Physical Damage, limited to and caused by flying gravel, missiles, or falling objects;
      - (viii) Accidents occurring when using auto in response to an emergency if the operator of the auto at the time of accident was a paid or volunteer member of any Police or Fire Department, First Aid Squad, or any law enforcement agency. This exception does not include an accident occurring after the auto ceases to be used in response to such emergency; or
      - (ix) Accidents where the driver is not at fault.
- c. Inexperienced Operator
- (1) If an operator of the auto has no point assigned for an accident or conviction but has been licensed less than two years, one point is assigned. Sub- Classification 1B applies.
  - (2) Sub-Classification 1A applies only when the driver has a total of one point assigned based on the operator's accident or conviction record.
    - (a) If the operator of the auto has been licensed for less than two years but HAS a point assigned for an accident or conviction, assign a point only for the accident or conviction, not for the operator's inexperience. Sub-Classification 1A applies.
    - (b) If the operator does not qualify for the Inexperienced Operator point assignment in accordance with (1) above, but the policy has a total of one point assigned based on any operator's accident or conviction record, Sub-Classification 1A applies.
  - (3) If the operator qualifies for Inexperienced Operator point assignment but the policy also insures other operators who have point assigned for accidents and convictions, SubClassifications 2, 3 or 4 apply.
- d. Refund of Surcharged Premium
- If a point has been assigned for an accident and it is later determined that the accident falls under one of the exceptions in this rule, the company will refund to the insured the increased portion of the premium generated by the accident.
- e. A driver with an international Driver's License is rated at Driver SubClassification 2.

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2. Experience Period

The experience period will be the three years immediately preceding the date of application or the effective date of the renewal.

**C. Driving Record Sub-Classification**

The driving record sub-classification will be determined from the number of Driving Record Points accumulated during the experience period as follows:

Number of Driving Record Points	Driving Record Sub-Classification
0	0
1	1
2	2
3	3
4 or more	4

**D. Multi-Car Risk**

1. Two or More Car Risk

The Driving Record Sub-Classification, as determined above, will apply to each auto as shown under the Multi-Car Section in the Secondary Table.

**E. Administration of Driver Surcharge Plan**

1. New Business

a. Initial information necessary to assign the proper Driving Record Sub-Classification will be obtained from an application signed personally by the applicant and verified by driver motor vehicle record.

2. Renewal Business

Information necessary to assign proper renewal Driving Record Sub-Classification will be determined from any one or combination of the following:

- a. Company's own records; or
- b. Motor Vehicle records; or
- c. An application signed by the applicant.

**VI. MODEL YEAR/AGE GROUPS FOR COMPREHENSIVE AND COLLISION COVERAGES**

**A. Where Model Year Is Used in Rating:**

- 1. The model year of the auto is the year assigned by the auto manufacturer.
- 2. Rebuilt or Structurally Altered Autos – the model year of the chassis determines the model year of the auto.
- 3. If the rates for a model year are not displayed in the Rate Pages, use the rates shown for the latest model year.

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- B. Where Age Is Used in Rating:
  - 1. Age is determined as follows:

Age Group	Definition
1	Autos of current model year
2	Autos of First preceding year
3	Autos of second preceding year
4	Autos of third preceding year
5	Autos of fourth preceding year
6	All Other Autos

\*The "current model year," as used in this section, changes effective October 1 of each calendar year regardless of the actual introduction of the makes and models.

- 2. Rebuilt or Structurally Altered Autos – the age of the chassis determines the age of the autos.

**VII. MINIMUM PREMIUM RULE**

- A. A minimum annual premium charge will be made for each policy, certificate, declaration or binder covering one or more of the following perils:
  - 1. Comprehensive,
  - 2. Collision,
  - 3. Single Limit Liability,
  - 4. Bodily Injury Liability, or
  - 5. Property Damage Liability.
- B. Premium for other coverages which may also be included in the policy will be in addition to the minimum annual premium.
- C. The minimum annual premium charge is not subject to reduction except – in the event of cancellation or short term policy, the minimum annual premium charge will be adjusted on a pro rata or short rate basis, as the conditions require.
- D. Minimum written premium of \$150 will apply.

**VIII. POLICY PERIOD**

- A. The standard policy period will be 12 months.  
No policy providing Liability Coverage may be written or renewed for a term of less than 6 months.
- B. Premium charged for policy terms of less than 12 will be determined as follows:
  - 1. 3, 6 and 9 Month Policies
    - a. For a specified 3, 6 or 9 month period the premium charge is 25%, 50% or 75% of the annual premium, respectively.
    - b. For Policies issued for a 3, 6 or 9 month period, with an effective date on the 29th, 30th or 31st of any month, the first policy can be extended from the effective date to the first day of the calendar month following the expiration of the policy. Premium for this extended coverage of 1 to 3 days will be calculated on a pro-rata basis of the annual premium.
  - 2. Exceptions:  
The premium is computed Pro Rata:
    - a. When coverage is written to secure a common policy date with other coverages or lines of insurance.

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- b. When a policy is issued on a short rate basis to replace an outstanding policy of a company in liquidation, provided the new policy is based upon the rules and rates in effect at the time replacement is made and will be in effect for a period equal to the unexpired term of the outstanding policy.
- c. When a statutory policy is required by a state or municipality to expire on a fixed date and the policy is written to expire on such date.

#### IX. CHANGES

- A. All changes requiring premium adjustments will be computed pro rata.
- B. Minimal Premium Adjustments
  - 1. If an outstanding policy is amended or cancelled, and results in a minimal premium adjustment of less than \$5, the amount may be waived, except that the actual return premium will be returned at the request of the insured.
  - 2. If the limits of liability are increased because of a change in the limits prescribed under any financial responsibility law, the additional premium charge will be the actual difference in premium charges.

#### X. CANCELLATION

- A. If a policy is cancelled,
  - 1. By the company, return premium will be computed on a pro rata basis.
  - 2. By the insured:
    - a. Return premium will be computed at 90% of the pro rata unearned premium for one year policies.  
**Exceptions:**  
Compute return premium on a pro rata basis in the following cases:
      - (1) If the insured has disposed of the insured vehicle and takes out a new policy in the same company on another vehicle, to become effective within thirty days of the date of cancellation.
      - (2) If the insured auto is repossessed under terms of a financing agreement.
      - (3) If the insured enters the armed forces of the United States of America.
      - (4) If the insured auto is stolen or destroyed (total or constructive loss) and cancellation is requested by the insured:
        - (a) within 30 days following the date the auto is stolen or destroyed, or
        - (b) within 15 days of the time the auto was determined by the company:
          - (i) to be unrecoverable if stolen, or
          - (ii) to be a total or constructive loss.
      - (6) If a vehicle or form of coverage is cancelled from a policy and the policy remains in force.
  - 3. A cancellation fee of \$50 will apply to any flat cancellation.
- B. The unearned premium for any cancellation will be determined as follows:
  - 1. Determine the number of days in the policy.
  - 2. Determine the number of days from the cancellation date to the expiration date of the policy.
  - 3. Divide the result of 2. above by the result of 1. above and round to three decimal places.
  - 4. The result of 3. above will be multiplied times the annual premium for each coverage, and rounded to 2 decimal places, to determine the return premium for each coverage.
  - 5. The sum of the premiums by coverage in 4. above will be compared to the minimum earned premium to determine if the minimum earned premium will be triggered.Reference to 3 Month Term Policies do not apply.

#### XI. WHOLE DOLLAR PREMIUM

- a. The premium for each exposure will be rounded to the nearest whole dollar separately for each coverage, when determining the annual premium.
- b. A premium involving \$.50 or more will be rounded to the next higher whole dollar.
- c. All interim premium adjustments, including endorsements or cancellations will be rounded to two decimals.

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- d. The phrase "each exposure" as used herein will mean each premium developed (after the application of all applicable adjustments) for (1) each auto, if written on a per car basis, and (2) for all other auto business.

**XII. RULES FOR DETERMINING PHYSICAL DAMAGE BASE RATES FOR SYMBOLS NOT DISPLAYED ON RATE PAGES**

**A. Symbol 27 Vehicles**

Develop the Base Rates for Symbol 27 vehicles as follows:

**1. Comprehensive**

- a. Increase the factor for Symbol 26 by +0.74 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost; and
- b. Apply this factor to the Symbol 8 rate on the rate pages for the applicable model year.

**2. Collision**

- a. Increase the factor for Symbol 26 by +0.35 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost; and
- b. Apply this factor to the Symbol 8 rate on the rate pages for the applicable model year.

**XIII. SUSPENSION**

- A. Insurance may be suspended by use of the suspension of insurance endorsement (**PP 02 01**). However, coverage may not be suspended for:
  - 1. The minimum required insurance coverages for a motor vehicle which is registered in the state; or
  - 2. Risks for which a financial responsibility filing is in effect.
- B. Insurance may be reinstated by use of the reinstatement of insurance endorsement (**PP 02 02**).
- C. The reinstatement of insurance endorsement (**PP 02 02**) will not extend the policy beyond its original expiration date
- D. Pro rata premium credit will be granted for the period of suspension upon reinstatement provided the period of suspension is at least thirty (30) consecutive days. The company will retain a minimum of ninety days premium calculated on a pro rata basis for the policy period.
- E. If the policy expires during the period of suspension, the named insured will be entitled to pro rata return premium in accordance with the foregoing provisions of this rule with respect to the minimum period of suspension and minimum premium retention by the company.
- F. If liability or collision is suspended on all private passenger autos owned by an individual or husband and wife, use of other autos coverage, for liability only, afforded without separate premium charge under a Personal Auto Policy may be continued in force. In this case, 80% pro rata of the owned auto premium calculated in accordance with the provisions of this rule will be returned to the insured upon reinstatement of the coverages.

**XIV. MISCELLANEOUS COVERAGES**

**A. Uninsured Motorists Coverage**

This rule applies except as follows:

- 1. Owners (Class Code – Refer to Statistical Plan)

**BODILY INJURY**

This form of auto insurance must be afforded at limits not less than the financial responsibility limits under every auto liability policy issued or delivered to the owner of a motor vehicle registered or principally garaged in Arkansas. Attach applicable endorsement.

**Exceptions**

- (1) The named insured has the right to reject such coverage in writing.
- (2) After a named insured rejects such coverage, the insurer will not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.

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- (3) The written agreement to reject such coverage will continue until the rejection is withdrawn in writing by the named insured.

#### Increased Limits

If a named insured or applicant purchases liability limits greater than the financial responsibility limits, increased limits of Uninsured Motorists Coverage must be offered in amounts up to the liability limits on the policy.

#### Note:

- a. An insured or applicant who does not want to purchase increased limits will reject such increased limits in writing on the application for insurance coverage.

If such renewal policy has Uninsured Motorists Coverage at limits less than the liability limits provided on the policy, increased limits will not be afforded unless a named insured requests such coverage in writing.

#### PROPERTY DAMAGE

If Bodily Injury Uninsured Motorists Coverage is purchased, the named insured must be offered Property Damage Uninsured Motorists Coverage, subject to a \$200 deductible.

#### Exceptions

- (1) Property Damage Uninsured Motorists limits will be made available up to the policy's property damage liability limits.
- (2) The named insured has the right to reject Property Damage Uninsured Motorists Coverage in writing.
- (3) After the named insured has rejected such coverage, it will not again be made available in any continuation, renewal, reinstatement, or replacement policy issued by the Company unless the insured requests such coverage in writing.
- (4) Whenever a new application is submitted in connection with any renewal, reinstatement, or replacement policy, the provisions of this rule will apply in the same manner as if a new policy is being issued.

#### Rates

Rates for basic and increased limits coverage are displayed on the rate pages. Uninsured Motorists Coverage rates are provided for the following risks:

- (1) Single Car Risk
- (2) Multi-Car Risk

Rates for multi-car risks are on a per-car basis. Apply these rates to each car including the first car.

The provisions of Rule 4. Classifications and Rule 5. Driver Surcharge Plan do not apply to the rates for this coverage.

### B. Underinsured Motorists Coverage

#### 1. Owners

- a. This form of auto insurance will be offered in limits at least equal to the Financial Responsibility law limits under every automobile liability insurance policy covering liability arising out of the ownership, maintenance or use of any motor vehicle in Arkansas.

Underinsured Motorists Coverage must be offered for all new policies issued.

#### Exceptions

- (a) If the named insured does not elect Underinsured Motorists Coverage, the coverage must be rejected in writing.
  - (b) This coverage will not be provided and must be rejected in writing if the named insured has rejected Bodily Injury Uninsured Motorists Coverage.
  - (c) After a named insured rejects such coverage, the Company will not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- b. If Underinsured Motorists Coverage is provided:
- (1) The coverage will apply to all vehicles insured under the policy.
  - (2) Uninsured Motorists Coverage and Underinsured Motorists Coverage must be provided at the same limits.
  - (3) Attach the applicable endorsement at basic or increased limits.

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c. Rates

(1) Rates are displayed on the rate pages. Underinsured Motorists Coverage rates are provided for the following risks:

- (a) Single Car Risk
- (b) Multi-Car Risk

Rates for multi-car risks are on a per-car basis. Apply these rates to each car including the first car.

(2) The provisions of Rule 4. Classifications and Rule 5. Driver Surcharge Plan do not apply to the rates for this coverage.

C. Deductible Insurance

- 1. Deductible Liability Insurance is not available for vehicles classified and rated under this program.
- 2. Comprehensive Deductibles for Which No Premium Is Shown

Factor applied to \$500 Deductible Comprehensive Premium

\$50 Deductible	1.36
\$100 Deductible	1.30
\$200 Deductible	1.19
\$250 Deductible	1.15
\$1,000 Deductible	.81
\$1,500 Deductible	.66
\$2,000 Deductible	.55
\$2,500 Deductible	.45

- 3. Collision Deductibles for Which No Premium Is Shown

Factor applied to \$500 Deductible Collision Premium

\$100 Deductible	1.21
\$200 Deductible	1.14
\$250 Deductible	1.11
\$1,000 Deductible	.85
\$1,500 Deductible	.72
\$2,000 Deductible	.62
\$2,500 Deductible	.54

D. Optional Limits Transportation Expenses Coverage

- 1. The \$20/600 limit for Transportation Expenses Coverage may be increased to the following limits:

Limits	Annual Rate Per Auto
\$30/\$900	Refer
\$40/\$1,200	To
\$50/\$1,500	Rate Pages

2. Rating

- a. The provisions of Rule IV. Classifications and Rule V. Driver Surcharge Plan do not apply to the rates for this coverage.
- b. Refer to the rate pages for the annual rate per auto for the specified limits.

3. Endorsement (PP 03 02)

Attach the Optional Increased Limits Transportation Expenses Coverage endorsement to the policy.

E. Towing and Labor Costs Coverage

1. Coverage

Coverage at the following limits is available with respect to any vehicle eligible for coverage under these rules, except trailers, for towing and labor expenses incurred due to disablement:

Limit Per Disablement	Annual Rate Per Vehicle
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\$25	
\$50	Refer To
\$75	Rate Pages
\$100	

2. Rating

- a. The provisions of Rule **IV. Classifications** and Rule **V. Driver Surcharge Plan** do not apply to the rates for this coverage.
- b. Refer to the rate pages for the annual rate per auto for the specified limits.

3. Endorsement (**PP 03 03**)

Attach the towing and labor costs coverage endorsement.

**F. Excess Electronic Equipment Coverage**

1. Coverage

Electronic equipment that reproduces, receives or transmits audio, visual or data signals which is permanently installed in the vehicle at the time of loss, is automatically covered under the policy without additional premium charge. Such equipment includes, but is not limited to:

- a. Radios and Stereos;
- b. Tape decks;
- c. Compact Disk Systems;
- d. Navigation Systems;
- e. Internet Access Systems;
- f. Personal Computers;
- g. Video Entertainment Systems;
- h. Telephones;
- i. Televisions;
- j. Two-way Mobile Radios;
- k. Scanners; or
- l. Citizens Band Radios.

However, electronic equipment that reproduces, receives or transmits audio, visual or data signals which is permanently installed in locations not used by the vehicle manufacturer for installation of such equipment, is subject to a sublimit of \$1,000. This sublimit may be increased to any one of the limits shown in **2.** below.

2. Rating

The provisions of Rule **IV. Classifications** and Rule **V. Driver Surcharge Plan** do not apply for this coverage.

Maximum Limit Of Liability For Excess Electronic Equipment	Premium Per Auto
\$1,500	
\$2,000	
\$3,000	Refer to
\$3,500	Rate Pages
\$4,000	
\$4,500	
\$5,000	

3. Endorsement (**PP 13 03**)

Attach the excess electronic equipment coverage endorsement to the policy.

**G. Tapes, Records, Disks And Other Media Coverage**

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- 1. Additional coverage for \$200 worth of tapes, records, disks and other media applies at no additional charge when coverage is provided for increased limits for excess electronic equipment.
- 2. If coverage is not provided for increased limits for excess electronic equipment, coverage for \$200 worth of tapes, records, disks and other media is available for an additional charge. Refer to rate page for the premium per auto.
- 3. Rating  
The provisions of Rule IV. Classifications and Rule V. Driver Surcharge Plan do not apply for this coverage.
- 4. Endorsement (PP 13 03)  
Attach the excess electronic equipment coverage endorsement to the policy.

**H. Excess Custom Equipment Coverage**

**1. Coverage**

Coverage for original manufacturer custom equipment is automatically provided for any vehicle when Comprehensive and/or Collision coverage is afforded.

Coverage for aftermarket custom equipment is automatically provided for any vehicle up to \$1,500, without additional premium charge, when Comprehensive and/or Collision coverage is afforded. This limit may be increased. Aftermarket custom equipment includes, but is not limited to:

- a. Special carpeting or insulation;
- b. Furniture or bars;
- c. Height-extending roofs;
- d. Body, engine, exhaust or suspension enhancers;
- e. Winches, or anti-roll or anti-sway bars;
- f. Custom grilles, louvers, side pipes, hood scoops or spoilers;
- g. Custom wheels, tires or spinners;
- h. Custom chrome, murals, paintwork, decals or other graphics; or
- i. Caps, covers or bedliners.

**2. Rating**

- a. The \$1,500 limit for aftermarket custom equipment may be increased to any of the following limits:

Maximum Limit Of Liability For Excess Custom Equipment	Rate Per Auto
\$2,000	
\$3,000	
\$4,000	Refer
\$5,000	To
\$6,000	Rate
\$7,000	Pages
\$8,000	
\$9,000	
\$10,000	

- b. The provisions of Rule IV. Classifications and Rule V. Driver Surcharge Plan do not apply for this coverage.

**3. Endorsement (PP 03 13)**

Attach the Excess Custom Equipment Coverage Endorsement.

**I. Limited Mexico Coverage**

- 1. At the request of the insured, a policy may be extended to apply to accidents occurring in Mexico on a trip of ten days or less if within twenty-five miles of the United States border.
- 2. Rating
  - a. Refer to the rate pages.
  - b. The provisions of Rule IV. Classifications and Rule V. Driver Surcharge Plan do not apply for this coverage.

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3. Attach the limited Mexico coverage endorsement (**PP 03 21**).

**J. Auto Loan/Lease Coverage**

1. Eligibility

A policy providing both collision and comprehensive coverage may be extended to provide coverage for the difference between the outstanding indebtedness on a loan/lease agreement on a vehicle, and the actual cash value of the vehicle, subject to the following:

- a. Auto Loan/Lease Coverage may be provided only to a vehicle that is a private passenger auto, pickup or van; and
- b. The insured must request the auto loan/lease coverage within 30 days of leasing or financing a vehicle.
- c. This coverage is not available if Replacement Cost Coverage is selected.

2. Rates

- a. Charge 7% of both the \$500 Collision and Comprehensive Coverage premiums for the auto loan/lease coverage.
- b. The provisions of Rule **IV. Classifications** and Rule **V. Driver Surcharge Plan** do not apply for this coverage.

3. Endorsement (**PP 03 35**)

Attach the auto loan/lease coverage endorsement to the policy.

**K. Trip Interruption Coverage**

1. Description

This coverage is available only for vehicles to which Collision and Other Than Collision coverages are afforded.

Trip Interruption Coverage provides:

- a. Transportation expenses incurred in the event of a mechanical or electrical breakdown of a specified auto.
- b. Expenses incurred for lodging and meals in the event of a covered physical damage loss or mechanical or electrical breakdown of a specified auto.

2. Rating

- a. Refer to the rate pages for the annual rate per auto.
- b. All premiums apply for the period of coverage.
- c. The provisions of Rule **IV. Classifications** and Rule **V. Driver Surcharge Plan** do not apply to the rates for this coverage.

3. Endorsement (**PP 13 02**)

Attach the trip interruption coverage endorsement to the policy.

**L. Diminishing Deductibles**

1. Description

- a. Optional coverage available if physical damage coverage is selected.
- b. Reduces applicable deductible by 25% for each claim free calendar year.
- c. Coverage can be purchased to apply separately to Comprehensive or Collision coverage.

2. Rating

- a. Refer to the rate pages for the annual rate per auto.
- b. The provisions of Rule **IV. Classifications** and Rule **V. Driver Surcharge Plan** do not apply to the rates for this coverage.

3. Endorsement (**PA 9010**)

Attach the Diminishing Deductibles coverage endorsement to the policy.

**M. Diminishing Deductibles Express**

1. Description

- a. Optional coverage available if physical damage coverage is selected.
- b. Reduces applicable deductible by 50% for each claim free calendar year.
- c. Coverage can be purchased to apply separately to Comprehensive or Collision coverage.

2. Rating

- a. Refer to the rate pages for the annual rate per auto.
- b. The provisions of Rule **IV. Classifications** and Rule **V. Driver Surcharge Plan** do not apply to the rates for this coverage.

3. Endorsement (**PA 9033**)

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Attach the Diminishing Deductibles Express coverage endorsement to the policy.

#### **N. Replacement Cost Coverage**

##### **1. Description**

- a. Optional coverage that replaces limit of liability settlement provisions in Part D of the policy so replacement cost coverage applies for a new vehicle model year and the first two subsequent years.
- b. Only available in the following situations:
  - (1) Vehicle has never been titled; and
  - (2) Coverage is added within 30 days after the purchase of the vehicle.
- c. Coverage is removed from the policy for a vehicle at the next renewal after the vehicle has reached three years from the original purchase date.
- d. This coverage is not available if the Auto Loan/Lease Coverage is selected.

##### **2. Rating**

- a. Charge 12% of both the \$500 Deductible Collision and Comprehensive Coverage premiums for the replacement cost coverage.
- b. The provisions of Rule **IV. Classifications** and Rule **V. Driver Surcharge Plan** do not apply to the rates for this coverage.

##### **3. Endorsement (PA 9002)**

Attach the Replacement Cost coverage endorsement to the policy.

#### **O. Mexico Coverage**

1. At the request of the insured, coverage under Part D of the policy may be extended to apply to accidents occurring in Mexico with no time or distance limitation.

##### **2. Rating**

- a. Refer to the rate pages.
- b. The provisions of Rule **IV. Classifications** and Rule **V. Driver Surcharge Plan** do not apply for this coverage.

##### **3. Attach the Mexico coverage endorsement (PA 03 21).**

#### **P. Named Driver Exclusion**

##### **1. Applicability**

An automobile insurance policy may be endorsed to exclude all or specific coverage(s) when a motor vehicle is operated by a specifically excluded individual.

##### **2. Requirements**

- a. The named driver exclusion endorsement must be signed by the named insured.
- b. The named driver exclusion endorsement will remain in effect:
  - (1) For the term of the policy; and
  - (2) For each renewal, reinstatement, substitute, modified, replacement or amended policy; unless discontinued by the insurer.
- c. If a named driver exclusion endorsement is attached to the policy:
  - (1) The premiums charged will not reflect the claim experience, driving record or rating classification of the named excluded driver with respect to the excluded coverages.
  - (2) The named excluded driver will not be listed as an operator of any auto covered under the policy.
- d. If a loss payee is shown in the policy and physical damage coverage is excluded under the named driver exclusion endorsement, the loss payee may be sent a notice indicating that the policy contains a named driver exclusion.

##### **3. Endorsement**

Attach the named driver exclusion endorsement to the policy. **(PP 13 37)**

### **XV. CERTIFIED RISKS – FINANCIAL RESPONSIBILITY LAWS**

#### **A. Surcharges**

1. Surcharges apply to Liability coverages only.

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2. For risks in which a surcharge has been applied under the Driver Surcharge Plan, the Rating Factor will be increased by .10.
3. In all other cases the appropriate charges shown below will be applied to the final premium for the affected coverages for the period of time the certificate is required but not more than three years (after 3 years a 5% surcharge applies) as follows:
  - a. 50% for driving a motor vehicle while intoxicated, or failing to stop and report when involved in an accident, or homicide or assault arising out of the operation of a motor vehicle.
  - b. 25% for driving a motor vehicle at an excessive rate of speed or in a reckless manner, where an injury to person or damage to property actually results therefrom.
  - c. 5% for any other reason requiring filing.

#### **B. Owners**

1. If an owner is required to file evidence of financial responsibility for owned autos and for the operation of autos which he does not own, the additional premium will be computed by applying the proper surcharge as indicated in **A.2.** or **A.3.** above and by applying the surcharge to the total non-ownership liability premium, modified in accordance with any applicable rating plan.
2. In all other cases, the additional premium will be as computed in **A.2.** or **A.3.** above.

#### **XVI. RESERVED FOR FUTURE USE**

#### **XVII. EXTENDED NON-OWNED COVERAGE**

##### **A. Eligibility**

The Extended Non-Owned Coverage endorsement (**PP 03 06**) may be used for an individual who owns an auto but also drives borrowed or rented autos. Coverage may also be extended to the spouse and resident relatives of that named individual.

##### **B. Coverage**

The Personal Auto Policy (PAP) may be extended to cover the following liability exposures:

1. **Vehicles Furnished Or Available For Regular Use Except As Public Or Livery Conveyances**  
Under the liability coverage section of the PAP, coverage is not provided for non-owned vehicles furnished or available for regular use. By choosing liability coverage under the Extended Non-Owned Coverage – Vehicles Furnished Or Available For Regular Use endorsement (**PP 03 06**), liability coverage afforded under the basic PAP may be extended to cover vehicles furnished or available for regular use except vehicles furnished for use as public or livery conveyances.
2. If liability coverage is extended under the Extended Non-Owned Coverage – Vehicles Furnished Or Available For Regular Use endorsement (**PP 03 06**), Medical Payments Coverage may also be similarly extended. If medical payments insurance is provided, primary medical payments insurance must be in effect for any non-owned vehicles furnished or available for use as public or livery conveyances.

##### **C. Rating – Liability And Medical Payments Coverage**

Charge the following percentage of the applicable premiums that would apply as if the insured owned the auto being covered, using the premium determination procedures set forth in Rule **III.** Premium Determination. If the auto is used in the business of the United States Government, charge the Primary Insurance in Effect percentage of the applicable premium.

1. **Vehicles Furnished Or Available For Regular Use Except Vehicles Furnished For Use As Public Or Livery Conveyances**

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**Primary Liability/Medical Payments Insurance In Effect**

<b>Person(s) Named</b>	<b>Percentage Charge</b>
Named Individual	12%
Named Individual and Resident Relatives (including Named Individual's Spouse)	13%

**No Primary Liability/Medical Payments Insurance In Effect**

<b>Person(s) Named</b>	<b>Percentage Charge</b>
Named Individual	90%
Named Individual and Resident Relatives (including Named Individual's Spouse)	100%

**D. Endorsements**

Attach the:

1. Extended Non-Owned Coverage – Vehicles Furnished Or Available For Regular Use endorsement (PP 03 06).

**XVIII. INCREASED LIMITS**

A. The following increased limit factors will apply for Liability Coverages

1. \$75,000 Single Liability Limit Increased Limits

<u>Limit</u>	<u>Factor</u>
\$75,000	1.00
\$100,000	1.07
\$200,000	1.24
\$300,000	1.34
\$500,000	1.44
\$1,000,000	1.56

2. \$25,000/\$50,000 Bodily Injury Split Limit Increased Limits

<u>Limit</u>	<u>Factor</u>
\$25/\$50	1.00
\$50/\$100	1.27
\$100/\$200	1.58
\$100/\$300	1.59
\$250/\$500	2.05
\$300/\$300	2.11
\$500/\$1,000	2.36
\$1,000/\$1,000	2.60

3. \$25,000 Property Damage Increased Limits

<u>Limit</u>	<u>Factor</u>
\$25,000	1.00
\$50,000	1.06
\$100,000	1.12
\$150,000	1.15
\$200,000	1.18
\$250,000	1.20
\$500,000	1.25
\$750,000	1.27

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\$1,000,000 1.28

**B. Medical Payments Increased Limits**

The following increased limits will apply for Medical Payments coverage

1.	<u>Limit</u>	<u>Factor</u>
	\$1,000	1.00
	\$2,000	1.70
	\$5,000	2.70
	\$10,000	3.46

**XIX. RATING TERRITORIES**

A. Territory assignment follows the territory as defined by ISO.

**XX. PAYMENT PLANS**

- A. Paid in full. Payment in full is required if the policy premium is less than \$150.
- B. 11-payment plan: 26% down payment, 10 monthly installments of 7.4%. This payment plan is only available if EFT is established. Installment fee of \$2 per installment.
- C. 5-payment plan: 26% down payment, 4 installments of 18.5% due in months 2, 4, 6 and 8. Installment fee of \$5 per installment unless EFT is selected, then fee is \$2 per installment.
- D. 2-payment plan: 60% down payment, 1 installment due in month 6. Installment fee of \$5 per installment unless EFT is selected, then fee is \$2 per installment.
- E. Non-sufficient funds fee: \$20.00. This fee is charged if any check is returned unpaid by the bank or if a requested credit card payment is declined.
- F. Late payment fee: \$20.00. This fee is charged if the payment is not received within 5 days of the payment due date.

**XXI. ADDITIONAL RULE(S)**

**ARKANSAS MEDICAL PAYMENTS INSURANCE, WORK LOSS COVERAGE AND ADDITIONAL DEATH BENEFIT**

**A. Eligibility**

Medical Payments Insurance, Work Loss Coverage and Accidental Death Benefit must be afforded under every auto liability policy issued or delivered to the owner of an auto registered or principally garaged in Arkansas.

If one or more of these coverages are afforded, attach the applicable endorsement to the policy.

**Exceptions**

- 1. The named insured has the right to reject one or more of such coverages in writing and must reject the Statutory Limit of Medical Payments in writing if lower or higher limits are requested.
- 2. After the named insured rejects one or more of such coverages, the insurer will not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.

**B. Coverages and Rates**

**1. Medical Payments**

**a. Limits**

Statutory Limit per person – \$5,000.

- (1) Lower or higher limits are permitted, only when the named insured has rejected the Statutory Limit.
- (2) A maximum limit of \$5,000 applies to pedestrians who are other than the named insured or a relative.
- (3) Basic and Increased Limits of Personal Auto Medical Payments Coverage may be purchased only when the named insured has rejected Arkansas Medical Payments Coverage.

Refer to the Exceptions to Eligibility above for rejection procedures.

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- b. Rates**
  - (1) Use the base rates for Medical Payments Insurance.
  - (2) The Classifications and DSP Rules apply.
- 2. Work Loss Coverage**
  - a. Limits**

Maximum per person

    - (1) For an Income Earner – \$140 per week for 52 weeks.
    - (2) For a Non-Income Earner – \$70 per week for 52 weeks.
  - b. Rates**
    - (1) Motorcycles, Motorscooters, Motorbikes or Similar Motor Vehicles – Refer to Company.
    - (2) All Other Motor Vehicles
      - Rates are displayed on the rate pages.
      - The Classifications and DSP Rules do NOT apply
- 3. Accidental Death Benefit**
  - a. Limits**

Maximum per person – \$5,000.
  - b. Rates**
    - (1) Motorcycles, Motorscooters, Motorbikes or Similar Motor Vehicles – Refer to Company.
    - (2) All Other Motor Vehicles
      - Rates are displayed on the rate pages.
      - The Classification and DSP Rules do NOT apply.

**Note**

When adding Work Loss Coverage and/or Accidental Death Benefit to outstanding policies:  
Charge 10% of the annual rates for each month or part of a month insured, up to a maximum of the rate per car, per year shown on the rate pages. Refer to company for the minimum premiums applicable to this coverage.

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**XXI. CLASS PLAN – RATING FACTORS AND STATISTICAL CODES**

**A. PRIMARY CLASSICATION**

**NO YOUTHFUL OPERATOR**

Operator Age		Pleasure Use	DRIVE TO OR FROM WORK		Business Use	Farm Use
			Less than 15 Miles	15 or More Miles		
Operator Age 30-39	<b>Factor Code</b>	<b>1.00</b> 8161	<b>1.05</b> 8162	<b>1.15</b> 8163	<b>1.20</b> 8168	<b>0.85</b> 8169
Operator Age 40-49	<b>Factor Code</b>	<b>0.90</b> 8151	<b>0.95</b> 8152	<b>1.05</b> 8153	<b>1.10</b> 8158	<b>0.75</b> 8159
Operator Age 50-64	<b>Factor Code</b>	<b>0.80</b> 8851	<b>0.85</b> 8852	<b>0.95</b> 8853	<b>1.00</b> 8858	<b>0.65</b> 8859
Operator Age 65-74	<b>Factor Code</b>	<b>0.85</b> 8801	<b>0.90</b> 8802	<b>1.00</b> 8803	<b>1.05</b> 8808	<b>0.70</b> 8809
Operator Age 75-79	<b>Factor Code</b>	<b>1.00</b> 8121	<b>1.05</b> 8122	<b>1.15</b> 8123	<b>1.20</b> 8128	<b>0.85</b> 8129
Operator Age 80-84	<b>Factor Code</b>	<b>1.00</b> 8141	<b>1.05</b> 8142	<b>1.15</b> 8143	<b>1.20</b> 8148	<b>0.85</b> 8149
Operator Age 85 or Over	<b>Factor Code</b>	<b>1.00</b> 8201	<b>1.05</b> 8202	<b>1.15</b> 8203	<b>1.20</b> 8208	<b>0.85</b> 8259

**ALL OTHER OPERATORS AGE 25-29:** In accordance with Rule **IV.C.2.**, this classification applies to operators age 25-29 who are NOT eligible for any Youthful Operator classification.

<b>All Other Operators Age 25-29</b>	<b>Factor Code</b>	<b>1.00</b> 8301	<b>1.05</b> 8302	<b>1.15</b> 8303	<b>1.20</b> 8308	<b>0.85</b> 8459
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**YOUTHFUL OPERATOR**

AGE			UNMARRIED MALE – NOT ELIGIBLE FOR GOOD STUDENT CREDIT			
			Not Owner or Principal Operator		Owner or Principal Operator	
			Pleasure Use Or Farm Use	Drive to Work or Business Use	Pleasure Use or Farm Use	Drive to Work or Business Use
WITHOUT DRIVER TRAINING	17 or Less	Factor Code	2.50 8400	2.65 8403	3.30 8600	3.45 8603
	18	Factor Code	2.50 8401	2.65 8405	3.30 8601	3.45 8605
	19	Factor Code	2.50 8451	2.65 8455	3.30 8651	3.45 8655
	20	Factor Code	2.50 8450	2.65 8453	3.30 8650	3.45 8653
WITH DRIVER TRAINING	17 or Less	Factor Code	2.25 8460	2.40 8463	3.00 8660	3.15 8663
	18	Factor Code	2.25 8470	2.40 8473	3.00 8670	3.15 8673
	19	Factor Code	2.25 8480	2.40 8483	3.00 8680	3.15 8683
	20	Factor Code	2.25 8490	2.40 8493	3.00 8690	3.15 8693
WITH OR WITHOUT DRIVER TRAINING	21 thru 24	Factor Code	1.35 8754	1.50 8755	1.75 8704	1.90 8705
	25 thru 29	Factor Code	CLASSIFY AS ALL OTHER OPERATORS AGE 25-29		1.30 8708	1.45 8709

AGE			UNMARRIED MALE – GOOD STUDENT CLASSIFICATIONS			
			Not Owner or Principal Operator		Owner or Principal Operator	
			Pleasure Use Or Farm Use	Drive to Work or Business Use	Pleasure Use or Farm Use	Drive to Work or Business Use
WITHOUT DRIVER TRAINING	17 or Less	Factor Code	2.25 8406	2.40 8408	3.00 8606	3.15 8608
	18	Factor Code	2.25 8402	2.40 8404	3.00 8602	3.15 8604
	19	Factor Code	2.25 8452	2.40 8454	3.00 8652	3.15 8654
	20	Factor Code	2.25 8456	2.40 8458	3.00 8656	3.15 8658
WITH DRIVER TRAINING	17 or Less	Factor Code	2.00 8466	2.15 8468	2.65 8666	2.80 8668
	18	Factor Code	2.00 8476	2.15 8478	2.65 8676	2.80 8678
	19	Factor Code	2.00 8486	2.15 8488	2.65 8686	2.80 8688
	20	Factor Code	2.00 8496	2.15 8498	2.65 8696	2.80 8698
WITH OR WITHOUT DRIVER TRAINING	21 thru 24	Factor Code	1.15 8756	1.30 8757	1.50 8706	1.65 8707

RLI Insurance Company

Arkansas Auto Product

Underwriting Rules

**YOUTHFUL OPERATOR**

AGE			MARRIED MALE			
			Not Eligible for Good Student Credit		Eligible for Good Student Credit	
			Pleasure Use Or Farm Use	Drive to Work or Business Use	Pleasure Use or Farm Use	Drive to Work or Business Use
<b>WITHOUT DRIVER TRAINING</b>	<b>17 or Less</b>	<b>Factor Code</b>	<b>1.55</b> 8924	<b>1.70</b> 8925	<b>1.40</b> 8926	<b>1.55</b> 8927
	<b>18</b>	<b>Factor Code</b>	<b>1.55</b> 8934	<b>1.70</b> 8935	<b>1.40</b> 8936	<b>1.55</b> 8937
	<b>19</b>	<b>Factor Code</b>	<b>1.55</b> 8944	<b>1.70</b> 8945	<b>1.40</b> 8946	<b>1.55</b> 8947
	<b>20</b>	<b>Factor Code</b>	<b>1.55</b> 8954	<b>1.70</b> 8955	<b>1.40</b> 8956	<b>1.55</b> 8957
<b>WITH DRIVER TRAINING</b>	<b>17 or Less</b>	<b>Factor Code</b>	<b>1.40</b> 8964	<b>1.55</b> 8965	<b>1.25</b> 8966	<b>1.40</b> 8967
	<b>18</b>	<b>Factor Code</b>	<b>1.40</b> 8974	<b>1.55</b> 8975	<b>1.25</b> 8976	<b>1.40</b> 8977
	<b>19</b>	<b>Factor Code</b>	<b>1.40</b> 8984	<b>1.55</b> 8985	<b>1.25</b> 8986	<b>1.40</b> 8987
	<b>20</b>	<b>Factor Code</b>	<b>1.40</b> 8994	<b>1.55</b> 8995	<b>1.25</b> 8996	<b>1.40</b> 8997
<b>WITH OR WITHOUT DRIVER TRAINING</b>	<b>21 thru 24</b>	<b>Factor Code</b>	<b>1.25</b> 8554	<b>1.40</b> 8555	<b>1.05</b> 8556	<b>1.20</b> 8557
	<b>25 thru 29</b>		<b>CLASSIFY AS ALL OTHER OPERATORS AGE 25-29</b>			

RLI Insurance Company

Arkansas Auto Product

Underwriting Rules

**YOUTHFUL OPERATOR**

AGE			UNMARRIED FEMALE – NOT ELIGIBLE FOR GOOD STUDENT CREDIT			
			Not Owner or Principal Operator		Owner or Principal Operator	
			Pleasure Use Or Farm Use	Drive to Work or Business Use	Pleasure Use or Farm Use	Drive to Work or Business Use
WITHOUT DRIVER TRAINING	17 or Less	Factor Code	2.10 8024	2.25 8025	2.60 8124	2.75 8125
	18	Factor Code	2.10 8034	2.25 8035	2.60 8134	2.75 8135
	19	Factor Code	2.10 8044	2.25 8045	2.60 8144	2.75 8145
	20	Factor Code	2.10 8054	2.25 8055	2.60 8154	2.75 8155
WITH DRIVER TRAINING	17 or Less	Factor Code	1.90 8064	2.05 8065	2.35 8164	2.50 8165
	18	Factor Code	1.90 8074	2.05 8075	2.35 8174	2.50 8175
	19	Factor Code	1.90 8084	2.05 8085	2.35 8184	2.50 8185
	20	Factor Code	1.90 8094	2.05 8095	2.35 8194	2.50 8195
WITH OR WITHOUT DRIVER TRAINING	21 thru 24	Factor Code	1.30 8254	1.45 8255	1.60 8354	1.75 8355
	25 thru 29	Factor Code	CLASSIFY AS ALL OTHER OPERATORS AGE 25-29		1.10 8358	1.25 8359

AGE			UNMARRIED FEMALE – GOOD STUDENT CLASSIFICATIONS			
			Not Owner or Principal Operator		Owner or Principal Operator	
			Pleasure Use Or Farm Use	Drive to Work or Business Use	Pleasure Use or Farm Use	Drive to Work or Business Use
WITHOUT DRIVER TRAINING	17 or Less	Factor Code	1.90 8026	2.05 8027	2.35 8126	2.50 8127
	18	Factor Code	1.90 8036	2.05 8037	2.35 8136	2.50 8137
	19	Factor Code	1.90 8046	2.05 8047	2.35 8146	2.50 8147
	20	Factor Code	1.90 8056	2.05 8057	2.35 8156	2.50 8157
WITH DRIVER TRAINING	17 or Less	Factor Code	1.70 8066	1.85 8067	2.10 8166	2.25 8167
	18	Factor Code	1.70 8076	1.85 8077	2.10 8176	2.25 8177
	19	Factor Code	1.70 8086	1.85 8087	2.10 8186	2.25 8187
	20	Factor Code	1.70 8096	1.85 8097	2.10 8196	2.25 8197
WITH OR WITHOUT DRIVER TRAINING	21 thru 24	Factor Code	1.10 8256	1.25 8257	1.35 8356	1.50 8357

RLI Insurance Company

Arkansas Auto Product

Underwriting Rules

**YOUTHFUL OPERATOR**

AGE			MARRIED FEMALE			
			Not Eligible for Good Student Credit		Eligible for Good Student Credit	
			Pleasure Use Or Farm Use	Drive to Work or Business Use	Pleasure Use or Farm Use	Drive to Work or Business Use
<b>WITHOUT DRIVER TRAINING</b>	<b>17 or Less</b>	<b>Factor Code</b>	<b>1.30</b> 8804	<b>1.45</b> 8805	<b>1.15</b> 8806	<b>1.30</b> 8807
	<b>18</b>	<b>Factor Code</b>	<b>1.30</b> 8854	<b>1.45</b> 8855	<b>1.15</b> 8856	<b>1.30</b> 8857
	<b>19</b>	<b>Factor Code</b>	<b>1.30</b> 8864	<b>1.45</b> 8865	<b>1.15</b> 8866	<b>1.30</b> 8867
	<b>20</b>	<b>Factor Code</b>	<b>1.30</b> 8874	<b>1.45</b> 8875	<b>1.15</b> 8876	<b>1.30</b> 8877
<b>WITH DRIVER TRAINING</b>	<b>17 or Less</b>	<b>Factor Code</b>	<b>1.15</b> 8884	<b>1.30</b> 8885	<b>1.05</b> 8886	<b>1.20</b> 8887
	<b>18</b>	<b>Factor Code</b>	<b>1.15</b> 8894	<b>1.30</b> 8895	<b>1.05</b> 8896	<b>1.20</b> 8897
	<b>19</b>	<b>Factor Code</b>	<b>1.15</b> 8904	<b>1.30</b> 8905	<b>1.05</b> 8906	<b>1.20</b> 8907
	<b>20</b>	<b>Factor Code</b>	<b>1.15</b> 8914	<b>1.30</b> 8915	<b>1.05</b> 8916	<b>1.20</b> 8917
<b>WITH OR WITHOUT DRIVER TRAINING</b>	<b>21 thru 24</b>	<b>Factor Code</b>	<b>1.15</b> 8664	<b>1.30</b> 8665	<b>1.00</b> 8006	<b>1.15</b> 8007
	<b>25 thru 29</b>		<b>CLASSIFY AS ALL OTHER OPERATORS AGE 25-29</b>			

**B. SECONDARY CLASSICATIONS**

		Sub-Class					
		0	1A	1B	2	3	4
<b>Single Car Risk</b>	<b>Factor Code*</b>	<b>0.00</b> 10	<b>+0.40</b> 11	<b>+0.40</b> 15	<b>+0.90</b> 12	<b>+1.50</b> 13	<b>+2.20</b> 14
<b>Multi-Car Risk</b>	<b>Factor Code*</b>	<b>-0.20</b> 20	<b>0.00</b> 21	<b>0.00</b> 25	<b>+0.25</b> 22	<b>+0.55</b> 23	<b>+0.90</b> 24

\*These two digits are to be appended to the four-digit code corresponding to the Primary Rating Factor to which the Factor in this table is added or subtracted.

SERFF Tracking #:

RSHL-128781604

State Tracking #:

Company Tracking #:

AR10012012PAR-RLI

State: Arkansas

Filing Company:

RLI Insurance Company

TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name: Personal Auto Program

Project Name/Number: Initial Program Rate/Rule Filing for Personal Auto/AR10012012PAR-RLI

## Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	A-1 Private Passenger Auto Abstract	Filed	01/03/2013
Comments:			
Attachment(s):			
A-1 ed 1-06 - RLI Auto.pdf			

		Item Status:	Status Date:
Satisfied - Item:	APCS-Auto Premium Comparison Survey	Filed	01/03/2013
Comments:			
Attachment(s):			
PPA_Survey_FORM_APCS2012 - RLI Auto.pdf			
PPA_Survey_FORM_APCS2012 - RLI Auto.xlsx			

		Item Status:	Status Date:
Satisfied - Item:	NAIC loss cost data entry document	Filed	01/03/2013
Comments:			
Attachment(s):			
FORM RF-1 Rate Filing Abstract - RLI Auto.pdf			

		Item Status:	Status Date:
Satisfied - Item:	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	01/03/2013
Comments:			
Attachment(s):			
industry_rates_loss_cost_expense_constant_supplement - RLI Auot.pdf			
industry_rates_loss_cost_filing_document_other - RLI Auto.pdf			
industry_rates_loss_cost_other_coverLC - RLI Auto.pdf			

Item Status:

Status Date:

SERFF Tracking #:

RSHL-128781604

State Tracking #:

Company Tracking #:

AR10012012PAR-RLI

State:

Arkansas

Filing Company:

RLI Insurance Company

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

Personal Auto Program

Project Name/Number:

Initial Program Rate/Rule Filing for Personal Auto/AR10012012PAR-RLI

Satisfied - Item:	Third Party Authorization	Filed	01/03/2013
Comments:			
Attachment(s):			
ris authorization.pdf			

**Item Status:**

**Status Date:**

Satisfied - Item:	Explanatory Memorandum	Filed	01/03/2013
Comments:			
Attachment(s):			
Arkansas Explanatory Memorandum (Auto).pdf AR RV LCM Support.pdf			

SERFF Tracking #:

RSHL-128781604

State Tracking #:

Company Tracking #:

AR10012012PAR-RLI

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State:

Arkansas

Filing Company:

RLI Insurance Company

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

Personal Auto Program

Project Name/Number:

Initial Program Rate/Rule Filing for Personal Auto/AR10012012PAR-RLI

**Attachment PPA\_Survey\_FORM\_APCS2012 - RLI Auto.xlsx is not a PDF document and cannot be reproduced here.**

ARKANSAS INSURANCE DEPARTMENT

FORM A-1 PRIVATE PASSENGER AUTOMOBILE ABSTRACT

Instructions: All questions must be answered. If the answer is "none" or "Not applicable, so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group. Subsequent private passenger auto rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name RLI Insurance Company

NAIC # (including group #) 13056

1. Are there any areas in the State of Arkansas in which your company will not write automobile insurance?
[ ] Yes [x] No

If yes, list the areas:

Blank lines for listing areas.

2. Do you furnish a market for young drivers? [x] Yes [ ] No

3. Do require collateral business to support a youthful driver? [ ] Yes [x] No

4. Do you insure drivers with an international or foreign driver's license? [x] Yes [ ] No

5. Specify the percentage you allow in credit or discounts for the following:

- a. Driver over 55 10.000 %
b. Good Student Discount 0.000 %
c. Multi-car Discount 0.000 %
d. Accident Free Discount\* 0.000 %

Please Specify Qualification for Discount:

Blank line for qualification.

- e. Anti-Theft Discount 15.000 %
f. Other (specify) Anti-Locking Discount 5.000 %

Passive Restraint Discount (20-30)

30.000 %

Homeowner's Discount

\$5.000 %

6. Do you have an installment payment plan for automobile insurance? [x] Yes [ ] No
If so, what is the fee for installment payments?

\$5, \$2 for EFT

7. Does your company utilize a tiered rating plan? [ ] Yes [x] No

If so, list the programs and percentage difference and current volume for each plan:

Table with 3 columns: Program, Percentage Difference, Volume. Includes blank rows for data entry.

THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Elizabeth Bhatia

Signature  
Elizabeth Bhatia, Asst. Product Manager, Recreation Insurance Specialists, LLC, is hereby certifying that the information provided is true and correct to the best of her knowledge and belief.

Signature

Elizabeth Bhatia

Printed Name

Asst. Product Manager, Recreation Insurance Specialists, LLC

Title

330-576-1713

Telephone Number

elizabeth.bhatia@risholdings.com

Email address

AID PC A-1 (1/06)

## Private Passenger Auto Premium Comparison Survey Form

FORM APCS - last modified May 2012

**NAIC Number:** 13056  
**Company Name:** RLI Insurance Company  
**Contact Person:** Elizabeth Bhatia, Rec. Ins. Spec., LLC  
**Telephone No.:** 330-576-1713  
**Email Address:** elizabeth.bhatia@risholdings.com  
**Effective Date:** 1/1/2013

**Assumptions to Use:**

- 1 **Liability** -Minimum \$25,000 per person
- 2 **Bodily Injury** \$50,000 per accident  
\$25,000 per accident
- 3 **Property Damage** \$100 deductible per accident
- 4 **Comprehensive & Collision** \$250 deductible per accident
- 5 **The insured has elected to accept:**  
 Uninsured motorist property and bodily injury equal to liability coverage  
 Underinsured bodily injury equal to liability coverage
- 6 **Personal Injury Protection** of \$5,000 for medical, loss wages according to statute and \$5,000 accidental death
- 7 **If male and female rates are different, use the highest of the two**

**Submit to:** Arkansas Insurance Department  
 1200 West Third Street  
 Little Rock, AR 72201-1904  
 501-371-2800

**Telephone:** [insurance.pnc@arkansas.gov](mailto:insurance.pnc@arkansas.gov)  
 Email as an attachment to [insurance.pnc@arkansas.gov](mailto:insurance.pnc@arkansas.gov)  
 You may also attach to a SERFF filing or submit on a compact disk

**DISCOUNTS OFFERED:**

PASSIVE RESTRAINT/AIRBAG	15%
AUTO/HOMEOWNERS	5%
GOOD STUDENT	15%
ANTI-THEFT DEVICE	5%
Over 55 Defensive Driver Discount	10%
\$250/\$500 Deductible Comp./Coll.	0%

Vehicle	Coverages	Gender	Age	Fayetteville				Trumann				Little Rock				Lake Village				Pine Bluff			
				Female 18	Male 18	Male or Female 40	Male or Female 66	Female 18	Male 18	Male or Female 40	Male or Female 66	Female 18	Male 18	Male or Female 40	Male or Female 66	Female 18	Male 18	Male or Female 40	Male or Female 66	Female 18	Male 18	Male or Female 40	Male or Female 66
				2008 4.8L Chevrolet Silverado 1500 "LS" regular cab 119" WB	Minimum Liability			\$838	\$992	\$493	\$374	\$881	\$1,043	\$417	\$394	\$1,142	\$1,352	\$541	\$510	\$702	\$830	\$333	\$313
	Minimum Liability with Comprehensive and Collision			\$2,297	\$2,720	\$1,184	\$1,027	\$2,478	\$2,934	\$1,173	\$1,109	\$2,866	\$3,392	\$1,358	\$1,281	\$2,815	\$3,332	\$1,334	\$1,258	\$3,089	\$3,658	\$1,463	\$1,381
	100/300/50 Liability with Comprehensive and Collision			\$2,462	\$2,915	\$1,167	\$1,101	\$2,664	\$3,153	\$1,261	\$1,191	\$3,110	\$3,681	\$1,473	\$1,390	\$2,947	\$3,489	\$1,396	\$1,317	\$3,339	\$3,954	\$1,581	\$1,493
2009 Ford Explorer XLT 2WD, 4 door	Minimum Liability			\$777	\$920	\$368	\$347	\$820	\$971	\$388	\$367	\$1,066	\$1,262	\$505	\$476	\$641	\$758	\$304	\$286	\$954	\$1,129	\$452	\$426
	Minimum Liability with Comprehensive and Collision			\$1,528	\$1,809	\$723	\$683	\$1,642	\$1,943	\$777	\$734	\$1,970	\$2,334	\$933	\$881	\$1,690	\$2,000	\$801	\$755	\$1,994	\$2,359	\$944	\$891
	100/300/50 Liability with Comprehensive and Collision			\$1,754	\$2,047	\$819	\$773	\$1,889	\$2,234	\$894	\$843	\$2,290	\$2,713	\$1,084	\$1,024	\$1,883	\$2,229	\$892	\$841	\$2,320	\$2,745	\$1,098	\$1,037
2010 Honda Odyssey "EX"	Minimum Liability			\$777	\$920	\$368	\$347	\$820	\$971	\$388	\$367	\$1,066	\$1,262	\$505	\$476	\$641	\$758	\$304	\$286	\$954	\$1,129	\$452	\$426
	Minimum Liability with Comprehensive and Collision			\$1,616	\$1,913	\$765	\$722	\$1,737	\$2,057	\$823	\$777	\$2,074	\$2,456	\$983	\$927	\$1,817	\$2,150	\$861	\$812	\$2,116	\$2,506	\$1,002	\$946
	100/300/50 Liability with Comprehensive and Collision			\$1,787	\$2,115	\$846	\$798	\$1,950	\$2,308	\$924	\$871	\$2,351	\$2,784	\$1,114	\$1,051	\$1,984	\$2,349	\$940	\$887	\$2,397	\$2,838	\$1,134	\$1,072
2011 Toyota Camry 2.5L 4 door Sedan	Minimum Liability			\$777	\$920	\$368	\$347	\$820	\$971	\$388	\$367	\$1,066	\$1,262	\$505	\$476	\$641	\$758	\$304	\$286	\$954	\$1,129	\$452	\$426
	Minimum Liability with Comprehensive and Collision			\$1,857	\$2,199	\$880	\$830	\$2,002	\$2,370	\$948	\$896	\$2,355	\$2,788	\$1,115	\$1,053	\$2,177	\$2,577	\$1,031	\$974	\$2,464	\$2,917	\$1,167	\$1,101
	100/300/50 Liability with Comprehensive and Collision			\$2,058	\$2,437	\$976	\$920	\$2,249	\$2,661	\$1,065	\$1,005	\$2,675	\$3,167	\$1,266	\$1,196	\$2,370	\$2,806	\$1,122	\$1,060	\$2,790	\$3,303	\$1,321	\$1,247
2011 Cadillac Seville "CTS" AWD WAG 4 door 3.0L	Minimum Liability			\$838	\$992	\$493	\$374	\$881	\$1,043	\$417	\$394	\$1,142	\$1,352	\$541	\$510	\$702	\$830	\$333	\$313	\$1,030	\$1,219	\$488	\$460
	Minimum Liability with Comprehensive and Collision			\$2,297	\$2,720	\$1,184	\$1,027	\$2,478	\$2,934	\$1,173	\$1,109	\$2,866	\$3,392	\$1,358	\$1,281	\$2,815	\$3,332	\$1,334	\$1,258	\$3,089	\$3,658	\$1,463	\$1,381
	100/300/50 Liability with Comprehensive and Collision			\$2,462	\$2,915	\$1,167	\$1,101	\$2,664	\$3,153	\$1,261	\$1,191	\$3,110	\$3,681	\$1,473	\$1,390	\$2,947	\$3,489	\$1,396	\$1,317	\$3,339	\$3,954	\$1,581	\$1,493
2010 Hyundai Santa Fe SE 4X2	Minimum Liability			\$777	\$920	\$368	\$347	\$820	\$971	\$388	\$367	\$1,066	\$1,262	\$505	\$476	\$641	\$758	\$304	\$286	\$954	\$1,129	\$452	\$426
	Minimum Liability with Comprehensive and Collision			\$1,882	\$2,228	\$891	\$841	\$2,029	\$2,403	\$961	\$908	\$2,383	\$2,821	\$1,129	\$1,066	\$2,216	\$2,623	\$1,050	\$991	\$2,500	\$2,960	\$1,184	\$1,118
	100/300/50 Liability with Comprehensive and Collision			\$2,083	\$2,466	\$987	\$931	\$2,276	\$2,694	\$1,078	\$1,017	\$2,703	\$3,200	\$1,280	\$1,209	\$2,409	\$2,852	\$1,141	\$1,077	\$2,826	\$3,346	\$1,338	\$1,264

**NAIC LOSS COST DATA ENTRY DOCUMENT**

1.	This filing transmittal is part of Company Tracking #	<b>RSHL-128781604</b>
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	<b>ISO, PP-2011-BRLA1</b>
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Company Name		Company NAIC Number	
3.	<b>A.</b>	<b>RLI Insurance Company</b>	<b>B.</b> <b>13056</b>

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	<b>A.</b>	<b>19.0 Personal Auto</b>	<b>B.</b> <b>19.0001 Private Passenger Auto (PPA)</b>

5.			FOR LOSS COSTS ONLY				
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
COVERAGE (See Instructions)	Indicated % Rate Level Change	Requested % Rate Level Change	Expected Loss Ratio	Loss Cost Modification Factor	Selected Loss Cost Multiplier	Expense Constant (If Applicable)	Co. Current Loss Cost Multiplier
TOTAL OVERALL EFFECT	<b>N/A – New Program</b>	<b>N/A – New Program</b>					

6.		5 Year History	Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio	
<b>N/A - New</b>	<b>N/A - New</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A – New</b>	<b>N/A</b>	<b>N/A – New</b>	<b>N/A – New</b>	

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	<b>22.0%</b>
B. General Expense	<b>3.0%</b>
C. Taxes, License & Fees	<b>2.5%</b>
D. Underwriting Profit & Contingencies	<b>4.7%</b>
E. Other (explain)	<b>4.0%</b>
F. TOTAL	<b>31.5%</b>

8. Yes Apply Lost Cost Factors to Future filings? (Y or N)
9. N/A Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_
10. N/A Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): \_\_\_\_\_ PC RLC

**NAIC EXPENSE CONSTANT SUPPLEMENT**  
**CALCULATION OF COMPANY LOSS COST MULTIPLIER**  
**WITH EXPENSE CONSTANTS**

(EFFECTIVE: March 31, 2008)

(This form must be provided ONLY when making a filing that includes an expense constant)

<b>This filing transmittal is part of Company Tracking #</b>	RSHL-128781600
<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	<b>RSHL-128781600</b>

**Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)**

Selected Provisions

4.			Overall	Variable	Fixed	
	A.	Total Production Expense	22.0000			%
	B.	General Expense	3.0000			%
	C.	Taxes, License & Fees	2.5000			%
	D.	Underwriting Profit & Contingencies*	4.7000			%
	E.	Other (explain)	4.0000			%
	F.	TOTAL	36.2000	0.0000	0.0000	%
		*Explain how investment income is taken into account.				

5.	A.	Expected Loss Ratio: ELR = 100% - Overall 4F	63.8000	%
	B.	ELR in decimal form = 5A ELR in Decimal Form	0.64	

	C.	Variable Expected Loss Ratio: VELR=100% - Variable 4F		%
	D.	VELR in Decimal Form = 5C VELR in Decimal Form =		

6.	A.	Formula Expense Constant: [(1.00 divided by 5B) – (1.00 divided by 5D)] times [Average Underlying Loss Cost]	1.57
	B.	Formula Variable Loss Cost Multiplier (3B divided by 5D)	

7.	A.	Selected Expense Constant =	1.00
	B.	Selected Variable Loss Cost Multiplier =	1.00

**8. Explain any differences between 6 and 7:**

--

<b>9.</b>	<b>Rate level change for the coverage(s) to which this page applies</b>	0.0000	%
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PC IRF

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CALCULATION OF COMPANY LOSS COST MULTIPLIER

**Reset Form**

(EFFECTIVE AUG. 16, 2004)

<b>This filing transmittal is part of Company Tracking #</b>	RSHL-128781604
<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	<b>RSHL-128781600</b>

**Loss Cost Reference Filing** ISO, PP-2011-BRLA1       **Independent Rate Filing**  
(Advisory Org. & Reference filing #)

If this is a loss cost filing adopting an advisory organization's loss costs, the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

**1. Check one of the following:**

<input checked="" type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer. <b>Note: Some states have statutes that prohibit this option for some lines of business.</b>
<input type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

**2. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies:** 19.0/19.0001 PPA

**3. Loss cost modification:**

**A.** The insurer hereby files to adopt the prospective loss costs in the captioned reference filing (Check One):

- Without Modification (factor = 1.000)
- With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) \_\_\_\_\_

**B.** Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.00

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-8 BELOW.

**4. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)**

		Selected Provisions
A.	Total Production Expense	22.0 %
B.	General Expense	3.0 %
C.	Taxes, Licenses & Fee	2.5 %
D.	Underwriting profit & Contingencies (explain how investment income is taken into account) 4.7	4.7 %
E.	Other (explain) 4.	4.0 %
F.	Total	36.2 %

5.	A. Expected Loss Ratio: $ELR = 100\% - 4F = A$	63.8	%
	B. ELR in Decimal Form =	.638	
6.	Company Formula Loss Cost Multiplier (3B/5B)	1.57	
7.	Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	<b>1.57</b>	
8.	Rate Level Change for the coverage(s) to which this page applies	0.0	

Date: 11/27/2012

Space Reserved for Insurance Department Use

**OTHER THAN WORKERS' COMPENSATION  
LOSS COST FILING DOCUMENT COVER FORM**

INSURER RATE FILING  
ADOPTION OF ADVISORY ORGANIZATION  
PROSPECTIVE LOSS COSTS

1. INSURER NAME RLI Insurance Company  
ADDRESS 9025 North Lindbergh Drive  
Peoria, IL 61615-1499
2. PERSON RESPONSIBLE FOR FILING Elizabeth Bhatia  
TITLE Asst. Prod. Mgr, Recreation Ins. Spec, LLC TELEPHONE # 330-576-1713
3. INSURER NAIC # 13056
4. LINE OF INSURANCE 19.0/19.0001 PPA
5. ADVISORY ORGANIZATION ISO
6. PROPOSED RATE LEVEL CHANGE N/A % EFFECTIVE DATE 01/01/2013
7. PRIOR RATE LEVEL CHANGE \_\_\_\_\_ % EFFECTIVE DATE \_\_\_\_\_
8. ATTACH "NAIC LOSS COST FILING DOCUMENT—OTHER THAN WORKERS' COMPENSATION" (Use the above document separately for each insurer elected loss cost multiplier.)



■ RLI Insurance Company

9025 N. Lindbergh Drive | Peoria, IL 61615  
Phone: 309-692-1000 | Fax: 309-692-1068 | [www.rlicorp.com](http://www.rlicorp.com)

August 7, 2012

**Re: RLI Insurance Company, 13056: 37-0915434**

To Whom It May Concern:

Recreation Insurance Specialists, LLC is hereby authorized to submit rate, rule, and form filings on behalf of RLI Insurance Company. This authorization includes providing additional information and responding to questions regarding the filings on our behalf as necessary. This authorization is deemed to be in effect until rescinded in writing.

Please direct all correspondences and inquiries related to this filing to Recreation Insurance Specialists, LLC at the following address:

State Filings Department  
Recreation Insurance Specialists, LLC  
202 Montrose West Ave., Suite 200  
Akron, OH 44321  
Phone: (330) 665-3700  
Fax: (330) 665-3746

Please contact me if you have any questions regarding this authorization.

Sincerely,

Chris Randall  
VP, Risk Services  
309-692-1000 X5326  
309-692-1068  
[Christopher.Randall@rlicorp.com](mailto:Christopher.Randall@rlicorp.com)

**Arkansas Explanatory Memorandum**

*AR10012012PAR-RLI*

Included with this filing are the rates and rules for the new program. The rates for the auto program were derived using ISO loss costs with our own company selected loss cost multiplier of 1.57. Rates for those coverages not provided by ISO were taken from our existing recreation vehicle program. The rules are adapted from the ISO approved manual and modified to provide for any additional coverages and discounts currently unavailable in the ISO Personal Auto program. These coverages include: diminishing deductibles, replacement coverage and Mexico coverage.

We will also adopting any ISO Loss Costs changes that are filed in our new personal auto program. Adoption forms have been attached to the filing with prospective loss cost information.

RLI Insurance Company  
Private Passenger Auto  
Underwriting Profit and Investment Income  
Arkansas

US Treasury Rates as of:	6/29/2012	
1 Year US Treasury Rate:	0.21%	a = payment midpoint
2 Year US Treasury Rate:	0.33%	
3 Year US Treasury Rate:	0.41%	
5 Year US Treasury Rate:	0.72%	
7 Year US Treasury Rate:	1.11%	
10 Year US Treasury Rate:	1.67%	
20 Year US Treasury Rate:	2.38%	
Target Rate of Return:	8.7%	b = Exhibit II
Return on Surplus	0.2%	c = a
Premium/Surplus Ratio:	2.57	d = Exhibit II
Tax Rate:	35.0%	e
Target Gross Profit & Contingencies:	5.2%	f = b / d / (1 - e)
Expense Ratio:	31.5%	g = Exhibit IV
Investment Income:	0.5%	h = c / d + j x q
Target Net Profit & Contingencies:	4.7%	i = f - h
Permissible Loss/LAE Ratio:	<b>63.8%</b>	j = 1 - g - i

k Year	l = Exhibit III Paid LDF	m = chg 1 / l % Paid	n = note 1 % Investible	o = note 2 Treasury Yield	p=(1+b)^(k-1.5) Discount	q = n x o x p Disc. Inv. Inc.
1	2.172	46.04%	88.49%	0.21%	1.000	0.19%
2	1.295	31.19%	38.36%	0.45%	0.959	0.17%
3	1.132	11.08%	17.22%	0.57%	0.882	0.09%
4	1.061	5.96%	8.70%	1.19%	0.812	0.08%
5	1.028	2.96%	4.25%	1.19%	0.747	0.04%
6	1.015	1.32%	2.11%	2.09%	0.687	0.03%
7	1.009	0.60%	1.15%	2.09%	0.632	0.02%
8	1.005	0.31%	0.69%	2.99%	0.581	0.01%
9	1.004	0.15%	0.46%	2.99%	0.535	0.01%
10	1.003	0.09%	0.34%	2.99%	0.492	0.00%
11	1.001	0.15%	0.22%	3.09%	0.453	0.00%
12	1.001	0.07%	0.11%	3.09%	0.416	0.00%
13	1.000	0.04%	0.06%	3.09%	0.383	0.00%
14	1.000	0.02%	0.03%	3.09%	0.352	0.00%
15	1.000	0.02%	0.01%	3.09%	0.324	0.00%
						0.64%

- 1) Assumes that payments are made halfway through the year except for the first year which are 3/4.
- 2) Treasury yield uses the forward rates implied by the treasury rates above.



RLI Insurance Company  
 Private Passenger Auto  
 Target ROE and Premium/Surplus Ratio  
 Arkansas

**Target Rate of Return**

	a = note 1	b = note 1	c = Avg (a, b)	d = note 1	e = note 1	f = d - e	g = f / c
	<b>Policyholders' Surplus</b>	<b>Prior PHS</b>	<b>Average PHS</b>	<b>Net Income</b>	<b>Realized Capital Gains</b>	<b>Adjusted Net Income</b>	<b>Adjusted ROE</b>
2005	398,524	368,665	383,595	43,751	11,574	32,177	8.4%
2006	458,370	398,524	428,447	61,989	2,605	59,384	13.9%
2007	488,656	458,370	473,513	61,039	8,438	52,601	11.1%
2008	430,097	488,656	459,377	7,031	(18,607)	25,638	5.6%
2009	480,345	430,097	455,221	29,982	(7,780)	37,762	8.3%
2010	527,260	480,345	503,803	35,432	6,758	28,674	5.7%
						Straight Average:	8.8%
						Weighted Average:	8.7%
						Selected P/C Insurance Industry ROE excluding Capital Gains:	8.7%
						Selected Adjustment to Industry ROE:	0.0%
						Target ROE excluding Capital Gains:	<u>8.7%</u>

1) Data from A.M. Best's Aggregates and Averages, in millions

**Premium-to-Surplus Ratio**

	a = note 1	b = note 1	c = Avg (a, b)	d = note 1	e = d / c
	<b>Policyholders' Surplus</b>	<b>Prior PHS</b>	<b>Average PHS</b>	<b>Earned Premium</b>	<b>P/S Ratio</b>
2011	710	732	721	552	0.77

1) Data from Combined RLI Insurance Company Group Annual Statement, in millions

Selected risk relative to overall RLI Group portfolio:	30%	
Selected P/S ratio for Private Passenger Auto:	2.57	= 0.77 / 30%

RLI Insurance Company  
Private Passenger Auto  
Payment Pattern  
Arkansas

ANNUAL STATEMENT FOR THE December 31, 2011 OF THE P&C Industry

**SCHEDULE P - PART 3 - Private Passenger Auto Liability**

CUMULATIVE PAID NET LOSSES AND DCCE REPORTED AT YEAR END (\$000 OMITTED)

	12	24	36	48	60	72	84	96	108	120	Ult <sup>1</sup>
2002	24,100,614	41,813,438	49,921,414	54,441,204	56,759,905	57,814,278	58,325,282	58,585,345	58,708,651	58,778,734	59,010,622
2003	24,084,381	41,397,262	49,063,127	53,574,100	55,921,317	57,059,261	57,530,371	57,781,061	57,894,915		
2004	24,364,144	41,478,536	49,221,581	53,755,749	56,090,237	57,061,716	57,501,509	57,720,476			
2005	25,110,898	42,705,630	50,636,280	55,168,884	57,406,348	58,390,764	58,826,938				
2006	25,635,687	43,596,605	51,654,153	56,054,882	58,256,462	59,218,503					
2007	27,180,364	46,235,281	54,305,923	58,907,360	61,246,315						
2008	26,937,232	45,615,397	53,682,994	58,212,774							
2009	28,011,789	47,287,319	55,784,929								
2010	28,719,211	48,665,300									
2011	29,300,887										
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120- Ult	
Volume Avg	1.703	1.183	1.088	1.042	1.018	1.008	1.004	1.002	1.001		
Paid LDF	2.371	1.392	1.176	1.081	1.038	1.020	1.011	1.007	1.005	1.004	

<sup>1</sup>Ultimate from SCHEDULE P - PART 2 - Private Passenger Auto Liability

**SCHEDULE P - PART 3 - Auto Physical Damage**

CUMULATIVE PAID NET LOSSES AND DCCE REPORTED AT YEAR END (\$000 OMITTED)

	12	24	Ult <sup>2</sup>
2010	38,259,674	39,892,790	40,032,998
2011	42,515,927		
	12-24	24-Ult2	
Volume Avg	1.043		
Paid LDF	1.046	1.004	

<sup>2</sup>Ultimate from SCHEDULE P - PART 2 - Auto Physical Damage

PPAL Weight	85%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Selected LDF	2.172	1.295	1.132	1.061	1.028	1.015	1.009	1.005	1.004	1.003

RLI Insurance Company  
Private Passenger Auto  
Expense Ratios & LCM Selection  
Arkansas

RLI Insurance Co., Line 19.3,19.4, 21.2 Source: IEE Part III (in '000's)

	<b>Written Premium</b>	<b>Commission</b>	<b>%</b>	<b>Other Acquisition</b>	<b>%</b>
2011	39,011	3,747	9.6%	3,535	9.1%
2010	44,064	4,588	10.4%	3,649	8.3%
2009	47,918	5,369	11.2%	3,843	8.0%
Total	130,993	13,704	10.5%	11,027	8.4%

	<b>Earned Premium</b>	<b>General Expense</b>	<b>%</b>
2011	40,849	3,107	7.6%
2010	48,638	3,210	6.6%
2009	51,204	3,394	6.6%
Total	140,691	9,711	6.9%

RLI Insurance Co., Line 19.3,19.4, 21.2 Source: Statutory Page 14, Arkansas

	<b>Written Premium</b>	<b>Tax, Lic., &amp; Fees</b>	<b>%</b>
2011	33,048	897	2.7%
2010	36,784	952	2.6%
2009	116,219	2,864	2.5%
Total	186,051	4,713	2.5%

**Totals & LCM Selection**

Contracted Commission Rate:	22.0%
Other Acquisition	4.0%
General	3.0%
Taxes, Licenses & Fees	2.5%
<b>Total Expense</b>	<b>31.5%</b>
Profit & Contingencies	5.2%
Investment Income Offset	-0.5%
Net Profit & Contingencies	4.7%
<b>Total</b>	<b>36.2%</b>
Permissible Loss/LAE ratio	63.8%
Modification Factor	1.000
<b>Loss Cost Multiplier</b>	<b>1.57</b>
Current LCM	N/A



RLI Insurance Company  
 Private Passenger Auto  
 ULAE & ELR Selection  
 Arkansas

RLI Insurance Co., Line 19.3,19.4, 21.2 Source: IEE Part III (in '000's)

	<b>Earned Premium</b>	<b>ULAE</b>	<b>%</b>
2011	40,849	3,288	8.0%
2010	48,638	3,722	7.7%
2009	51,204	3,642	7.1%
Total	140,691	10,652	7.6%

Permissible Loss/LAE ratio	63.8%
Selected ULAE <sup>1</sup>	<u>6.0%</u>
ELR	57.8%

<sup>1</sup>6% was chosen for ULAE as an estimate as 4% of written premiums will be paid as ULAE to the TPA for claims handling expenses in addition to the Home Office claim support.

**SERFF Tracking #:**

RSHL-128781604

**State Tracking #:****Company Tracking #:**

AR10012012PAR-RLI

**State:**

Arkansas

**Filing Company:**

RLI Insurance Company

**TOI/Sub-TOI:**

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

**Product Name:**

Personal Auto Program

**Project Name/Number:**

Initial Program Rate/Rule Filing for Personal Auto/AR10012012PAR-RLI

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
11/26/2012	Filed 01/03/2013	Rate	Arkansas RLI Personal Auto Rules 10 2012	12/11/2012	Arkansas RLI Personal Auto Rules 10 2012.pdf (Superceded)
11/26/2012	Filed 01/03/2013	Supporting Document	APCS-Auto Premium Comparison Survey	12/11/2012	PPA_Survey_FORM_APCS2012 - RLI Auto.pdf

RLI Insurance Company

Arkansas Auto Product

Underwriting Rules

**I. DEFINITIONS**

**A. Private Passenger Auto**

1. A private passenger auto is a four wheel motor vehicle, other than a truck type, owned or leased under contract for a continuous period of at least six months, and
  - a. Not used as a public or livery conveyance for passengers,
  - b. Not rented to others.
2. A motor vehicle that is a pickup or van will be considered a private passenger auto, if it:
  - a. Has a Gross Vehicle Weight Rating of 10,000 lbs. or less, or is a vehicle with a Gross Vehicle Weight Rating greater than 10,000 lbs. for which a symbol is displayed in the Symbol and Identification section; and
  - b. Is not used for the delivery or transportation of goods or materials unless such use is:
    - (1) Incidental to the insured's business of installing, maintaining or repairing furnishings or equipment, or
    - (2) For farming or ranching.
  - c. A pickup or van used in the business of the United States Government, by an employee of the Government, will be considered a private passenger auto only if:
    - (1) It meets the conditions in a. and b. above; and
    - (2) Coverage is limited in accordance with the federal employees using autos in government business endorsement (**PP 03 01**).
3. A motor vehicle owned by a farm family co-partnership, or farm family corporation will be considered a private passenger auto owned by two or more relatives who are residents of the same household if:
  - a. It is principally garaged on a farm or ranch, and
  - b. It otherwise meets the definitions in 1. and 2. above.

**B.** Auto as used in these rules refers to a private passenger auto or a vehicle considered as a private passenger auto.

**C.** Liability as used in these rules refers only to Bodily Injury and Property Damage Coverages.

**D.** Single Limit Liability as used in these rules refers to one limit of liability that covers both Bodily Injury and Property Damage.

**E.** Comprehensive Coverage as used in these rules refers to other than collision damage to a motor vehicle.

**F.** Owned as used in these rules includes:

1. An auto leased under contract for a continuous period of at least six months. If an auto lease contract requires the lessee to provide primary insurance for the lessor, attach the additional insured-lessor endorsement (**PP 03 19**).
2. A vehicle owned by a trust. Refer to Rule **II.C.** for eligibility requirements applicable to vehicles owned by a trust.
3. A vehicle owned by a Limited Liability Company (LLC), as long as either of the following is met:
  - a. The only member of the LLC is an individual; or
  - b. The only members of the LLC are husband and wife.
4. A vehicle owned by a partnership, as long as the only partners of the partnership are husband and wife.

**G.** Gross Vehicle Weight Rating as used in these rules refers to the maximum loaded weight for which a single vehicle is designed, as specified by the manufacturer.

RLI Insurance Company

Arkansas Auto Product

Underwriting Rules

**II. PERSONAL AUTO POLICY - ELIGIBILITY**

- A.** A Personal Auto Policy will be used to afford coverage to private passenger autos and motor vehicles considered as private passenger autos in Rule I., if:
  - 1.** They are written on a specified auto basis, and
    - a.** They are owned by an individual or by a husband and wife who are residents in the same household. Both husband and wife who are residents in the same household may be listed as named insureds on the declarations page; or
    - b.** They are owned by a Limited Liability Company (LLC) and the only member of the LLC is an individual or the only members of the LLC are husband and wife who are residents in the same household. The LLC will be listed as the named insured on the declarations page; or
    - c.** They are owned by a partnership and the only partners are a husband and wife who are residents in the same household. The partnership will be listed as the named insured on the declarations page.
  - 2.** If they are owned by a LLC or a partnership, all vehicles insured under the policy must be owned by the LLC or partnership.
- B.** A Personal Auto Policy will be used to afford coverage to private passenger autos, and pickups and vans as defined in Rule I., that are owned jointly by two or more:
  - 1.** Resident relatives other than husband and wife;
  - 2.** Resident individuals; or
  - 3.** Non-resident relatives, including a non-resident husband and wife;
    - If:
      - a.** They are written on a specified auto basis; and
      - b.** The policy affords coverage only for such private passenger autos, pickups or vans which are jointly owned; and
      - c.** The Joint Ownership Coverage endorsement (**PP 03 34**) is attached. Refer to the endorsement for the extent of coverage.

**Note**

The insurer may elect to not apply the non-owned auto liability coverage exclusion under the Joint Ownership Coverage endorsement (**PP 03 34**).

- C.** A Personal Auto Policy will be used to afford coverage to:
  - 1.** Private passenger autos and motor vehicles considered as private passenger autos in Rule I. if title is held in a trust, subject to the following requirements:
    - a.** The grantor of the trust must be:
      - (1)** An individual or a husband and wife; and
      - (2)** The only named insured(s) shown in the Declarations.
    - b.** All vehicles insured under the policy must be owned by the trust.
    - c.** The Trust Endorsement (**PP 13 03**) is attached to the policy.

**D. Unacceptable Risks**

The following risks are unacceptable in this program:

- 1.** Risks which include operators who do not possess a valid driver's license, unless the driver can be excluded under state law.
- 2.** Vehicles without a garaging address.
- 3.** Vehicles registered or garaged in states without a filed program.
- 4.** Vehicles used for:
  - racing/speed tests;
  - pick-up or delivery of goods, limousine, or taxi service;
  - emergency services;
  - all other business or commercial purposes unless approved by the company.
- 5.** Risks which include operators with a suspended/revoked or canceled driver's license, unless the driver can be excluded under state law.
- 6.** Risks which include any drivers that require a financial responsibility filing, unless the driver can be excluded under state law.

# RLI Insurance Company

## Arkansas Auto Product

### Underwriting Rules

7. Risks which include any drivers with excessive violations, accidents or claims over the past 3 years. Excessive violations are defined as the following:
  - Any combination of minor violations, major violations or at fault accidents that totals more than five.
  - More than two at fault accidents.
  - More than 1 major violation.This will not apply to a driver that can be excluded under state law.
8. Migratory risk / seasonal occupation / transient risks.
9. Vehicles garaged / registered in the United States but owned by a Canadian citizen or citizens.
10. Vehicles with a salvage title or a vehicle which was previously declared a total loss.
11. Risks which have been canceled more than 3 times for non-payment or underwriting reasons or non-renewed by another insurance company in the last three years (except where prohibited by state law).
12. Any vehicle which does not meet the definition of private passenger auto in Rule I.
13. Any vehicle which has any combination of cooking, sleeping or bathroom facilities, or that would qualify as a recreation vehicle under the Company's recreation vehicle program.

### III. PREMIUM DETERMINATION

Single Limit Liability, or Bodily Injury Liability and Property Damage Liability; Medical Payments; Comprehensive and Collision premiums are determined as follows:

- A. Refer to the Classification Rule to determine the applicable Classification, Rating Factor and Statistical Code.
- B. **Model Year and Symbol Determination**
  1. **1998 & Later Model Years**
    - a. Refer to the Model Year/Age Group Rule to determine the model year/age of the auto and refer to the ISO Symbol and Identification Section for the appropriate symbol of the auto. When model year is used in rating and the rates for a model year are not displayed in the Rate Pages, use the rates shown for the latest model year.
    - b. If no Rating Symbol is shown in the Symbol and Identification (S&I) Section, use the following procedure to determine an interim rating symbol:
      - (1) If the ISO S&I Section displays a rating symbol for the Prior Model Year version of the same vehicle, use the prior model year's Rating Symbol for the new model year vehicle.
      - (2) If the ISO S&I Section does **not** display a rating symbol for the Prior Model Year version of the same vehicle, assign a symbol based on the cost new of the auto, using the Price/Symbol Chart located in the reference pages of the S&I Section.

RLI Insurance Company

Arkansas Auto Product

Underwriting Rules

2. 1997 & Prior Model Years

- a. Determine the amount of coverage applicable to the vehicle.
- b. Assign a symbol based on the amount from a. above based on the chart shown below:

Price/Symbol Chart

Symbol	Price New Range
01	\$ 0 - \$6,500
02	\$6,501 - \$8,000
03	\$8,001 - \$9,000
04	\$9,001 - \$10,000
05	\$10,001 - \$11,250
06	\$11,251 - \$12,500
07	\$12,501 - \$13,750
08	\$13,751 - \$15,000
10	\$15,001 - \$16,250
11	\$16,251 - \$17,500
12	\$17,501 - \$18,750
13	\$18,751 - \$20,000
14	\$20,001 - \$22,000
15	\$22,001 - \$24,000
16	\$24,001 - \$26,000
17	\$26,001 - \$28,000
18	\$28,001 - \$30,000
19	\$30,001 - \$33,000
20	\$33,001 - \$36,000
21	\$36,001 - \$40,000
22	\$40,001 - \$45,000
23	\$45,001 - \$50,000
24	\$50,001 - \$60,000
25	\$60,001 - \$70,000
26	\$70,001 - \$80,000
27	\$80,001 and above: Refer to <b>Rule 12.</b> for rating instructions.

c. Attach endorsement (**PP 03 08**).

- C. Refer to Territory Definitions to determine the territory code for the location where the auto is principally garaged.

**Note**

When a risk is statutorily required to have, or is eligible for, a coverage that is not available in the territory of garaging, use the registration address to determine the territory for that coverage.

- D. Refer to the Rate pages to determine base rates for the desired coverage for the appropriate territory.
- E. When a surcharge is applicable under the Certified Risk – Financial Responsibility Laws Rule, the surcharge is to be applied to the liability premium determined by the foregoing provisions.

F. **College Graduate Scholastic Achievement Discount**

- 1. A 5% discount on Bodily Injury and Property Damage Liability (or Single Limit Liability), Medical Payments, Comprehensive and Collision coverage premiums will be afforded to those insureds who meet the College Graduate Scholastic Achievement Discount eligibility criteria set forth in 2. below.

The discount will be afforded to the one vehicle that the eligible insured operates most frequently.

2. Eligibility

An insured is eligible for this discount if:

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- a. He or she is under twenty-five years old and has graduated from a college or university, and
  - b. His or her cumulative scholastic record shows that he or she attained one of the following:
    - (1) A grade average of "B" or higher, if letter grades are used, or
    - (2) At least a 3 point average on a 4 point scale (or equivalent).
- An insured is **not** eligible for this discount if he or she is a married operator on the policy.
- 3. This discount will be provided to each eligible insured on the policy who qualifies for the discount.

**IV. CLASSIFICATIONS**

Refer to Arkansas Class Plan Pages for the Primary and Secondary Classification Rating Factors and Statistical Code Tables that apply.

Refer to Section **C.** below for definitions of terms used in this rule.

**A.** Autos owned by an individual, owned jointly by two or more relatives or resident individuals, owned by a LLC, owned by a partnership or owned by a trust are classified as follows:

- 1. Primary Classification
  - a. Classify the auto according to the age, sex and marital status of the operators (named insured and all resident operators), the use of the auto and the eligibility of youthful operators for the Driver Training and/or Good Student classes, and
  - b. Determine the applicable factor from the Primary Rating Factor tables in Rule **XXI**.
- 2. Secondary Classification
  - a. Determine if the auto is:
    - (1) A single car, or
    - (2) Part of a multi-car risk.
      - (a) The applicable Multi-Car Rating Factor applies if more than one private passenger auto is owned by an individual or owned jointly by two or more relatives or resident individuals, and two or more autos are insured in the same company for any of the following coverages: single limit liability (or bodily injury and property damage liability,) medical payments, no-fault, comprehensive or collision.
  - b. Refer to the Driver Surcharge Plan, to classify operators according to the provisions of the Plan.
  - c. Refer to the Secondary Rating Factor table to determine the appropriate factor to be added to, or subtracted from the Primary Rating Factor.
- 3. The Primary Classification will be then added to the Secondary Classification. An average driver class will then be calculated for all drivers and the average driver classification will be used to determine the final rating factor for all vehicles.
- 4. The named insured may elect to exclude any otherwise applicable operators, except for the named insured. Any operator that is excluded will not be used in the determination of the driver classification in **1.**, **2.** or **3.** above. Attach the state specific driver exclusion endorsement (**PP 13 37**).

**B. Private Passenger Autos Owned by Farm Family Co-partnerships, or Farm Family Corporations and Covered by a Personal Auto Policy**

A private passenger auto owned by a farm family co-partnership or farm family corporation, and principally garaged on a farm or ranch will be classified and rated in accordance with Rule **IV.A.**, provided that vehicle is:

- 1. Not used in an occupation other than farming or ranching, or
- 2. Used only in driving to or from work.

**C. Definitions**

- 1. Use Classifications
  - a. **BUSINESS USE** means that the use of the auto is required by or customarily involved in the duties of the applicant or any other person customarily operating the auto, in an occupation, profession or business, other than going to or from the place of occupation, profession or business.
  - b. **FARM USE** means the auto is principally garaged on a farm or ranch, and

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- (1) It is not customarily used in going to or from work other than farming or ranching, or driving to or from school, and
- (2) It is not customarily used in any occupation other than farming or ranching.
- c. PLEASURE USE means:
  - (1) No BUSINESS USE OR FARM USE.
  - (2) Personal use including driving to or from work or school:
    - (a) Less than 3 road miles one way; or
    - (b) 3 or more, but less than 15, road miles one way for not more than 2 days per week or not more than 2 weeks in any 5 week period.
- d. WORK LESS THAN 15 MILES means:
  - (1) No BUSINESS USE OR FARM USE.
  - (2) Personal use including driving to or from work or school:
    - (a) 3 or more, but less than 15, road miles one way if such usage is more than 2 days per week or more than 2 weeks per 5 week period; or
    - (b) 15 or more road miles one way, for not more than 2 days per week or not more than 2 weeks in any 5 week period.
- e. WORK 15 OR MORE MILES means:
  - (1) No BUSINESS USE OR FARM USE.
  - (2) Personal use including driving to or from work or school 15 or more road miles one way more than 2 days per week or more than 2 weeks in any 5 week period.
- f. An auto driven part way to or from work or school, such as to a railroad or bus depot, whether or not the auto is parked at the depot during the day, will be considered as driving to or from work or school.

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- g. An auto used in the business of the U.S. Government by one of its employees may be classified and rated as PLEASURE USE, WORK LESS THAN 15 MILES or WORK 15 OR MORE MILES when the federal employees using autos in government business endorsement (**PP 03 01**) is used to limit coverage.
- 2. Age, Sex and Marital Status Classifications
  - a. YOUTHFUL OPERATOR means an applicant or any other operator resident in the same household as the applicant, who customarily operates the auto, or any other person who customarily operates the auto, who is one of the following:
    - (1) YOUTHFUL UNMARRIED MALE OPERATOR – unmarried male under 25 years of age who is not an owner;
    - (2) YOUTHFUL UNMARRIED MALE OWNER OR OPERATOR – unmarried male under 30 years of age who is an owner;
    - (3) YOUTHFUL MARRIED MALE OPERATOR – married male under 25 years of age;
    - (4) YOUTHFUL UNMARRIED FEMALE OPERATOR – unmarried female under 25 years of age who is not an owner;
    - (5) YOUTHFUL UNMARRIED FEMALE OWNER OR OPERATOR – unmarried female under 30 years of age who is an owner;
    - (6) YOUTHFUL MARRIED FEMALE OPERATOR – married female under 25 years of age.
  - b. NO YOUTHFUL OPERATOR means:
    - (1) A Youthful Operator classification is not applicable to the auto, and
    - (2) The applicant or any other operator resident in the same household as the applicant who customarily operates the auto, or any other person who customarily operates the auto, is one of the following:
      - (a) Operator Age 30-39
      - (b) Operator Age 40-49
      - (c) Operator Age 50-64
      - (d) Operator Age 65-74
      - (e) Operator Age 75-79
      - (f) Operator Age 80-84
      - (g) Operator Age 85 or Over

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- (h) All Other Operators Age 25-29: Operators who are ages 25-29 but who are not eligible for any Youthful Operator classification.
- c. AGE means the age attained on the last birthday prior to the policy effective date.
- d. MARRIED means a married person living with his or her spouse and includes a person who is widowed.
- e. RESIDENT means anyone residing in the same household, including a relative who is away at college.

**Exceptions:**

- 1. A person in active military service with the armed forces of the United States of America is not considered a resident in the applicant's household unless this person customarily operates the auto.
- 2. If a YOUTHFUL UNMARRIED FEMALE OPERATOR or a YOUTHFUL UNMARRIED MALE OPERATOR is a student residing at an educational institution over 100 road miles from the auto's place of garaging, the driver is rated as if the student is MARRIED.
- 3. Excess Autos – Classify autos in excess of the number of operators as follows:
  - a. If all operators on the policy are age 40-74, the Excess Autos 2 (All Operators Age 40-74) classification will apply to the autos in excess of the number of operators.
  - b. If not all operators on the policy are age 40-74, the Excess Autos 1 classification will apply to the autos in excess of the number of operators.

<b>Excess Autos 1</b>	1.00 Code 8990
<b>Excess Autos 2 (All operators Age 40-74)</b>	0.80 Code 8980

- c. The excess autos factor will not apply to comprehensive coverage.
- 4. TOTAL BASE PREMIUM is the sum of the base premium for single limit liability or bodily injury and property damage liability, medical payments, no-fault, comprehensive and collision coverages that apply to the auto.
- 5. Driver Training
 

The applicable Driver Training Classification applies to each Youthful Operator under 21 years of age where "Satisfactory Evidence" is presented that such operator has successfully completed a driver education course meeting the following standards:

  - a. The course included a minimum of 30 clock hours of classroom instruction plus a minimum of 6 clock hours of actual driving experience per student. These requirements may be met in either of the following ways:
    - (1) A minimum of 6 clock hours per student of actual driving experience exclusive of observation time in the car. In this case, part of the required 30 clock hours of classroom instruction can be met by the time spent in an approved simulated practice driving trainer. Use of the driving trainer must be authorized by the State Department of Education or other responsible educational agency.
    - (2) A minimum of 3 clock hours per student of actual driving experience exclusive of observation-time in the car, and a minimum of 12 clock hours per student in an approved practice driving trainer. In this case only time spent in excess of 12 clock hours may be counted as part of the required 30 clock hours of classroom instruction. Use of the driving trainer must be authorized by the State Department of Education or other responsible educational agency.
  - b. The course was conducted by instructors certified by the State Department of Education or other responsible educational agency, and
  - c. The course was conducted by a recognized secondary school, college or university and had the approval of the State Department of Education or other responsible educational agency, or
  - d. The course was conducted by other schools, and such course and school had the approval and supervision of the State Department of Education or other responsible educational agency; or

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- e. The course was conducted by a commercial driving school under the jurisdiction of the Motor Vehicle Department, provided that by Statute or Regulation such school meets the same requirements as schools having official sanction from the responsible state educational agency.
  - f. "Satisfactory Evidence" is a certificate signed by a school official certifying to the fulfillment of the requirements in **a.**, **b.**, and **c.**, or **d.** or **e.** above.
6. Good Student  
The applicable Good Student Classification applies provided:
- a. The owner or operator is –
    - (1) At least 16 years of age, and
    - (2) A full time high school, college or university student.
  - b. A certified statement from a school official is presented to the Company on each anniversary date of the policy indicating that the student has met one of the following requirements during the immediately preceding school semester.
    - (1) Is in the upper 20% of his/her class scholastically, or
    - (2) Maintains a "B" average, or its equivalent. If the letter grading system can not be averaged then no grade can be below "B."
    - (3) When in a school maintaining a numerical grade, must have at least a 3 in a 4, 3, 2, 1 point system or its equivalent.
    - (4) Student is included in a "Dean's List," "Honor Roll" or comparable list indicating scholastic achievement.
  - c. A classification change resulting from a change in the scholastic standing of the student will not be effected between anniversary dates of the policy.
7. Vehicles Equipped With Anti-Theft Devices  
These discounts apply to comprehensive coverage only. To qualify, the vehicle must be equipped with:
- a. A hood lock which can be released only from inside the vehicle, and
  - b. A device meeting the criteria of either Paragraph **(1.)** or **(2.)** below.  
If a vehicle is equipped with more than one qualifying device, only the single highest discount will apply. Evidence of the installation of an anti-theft device meeting the following criteria must be provided prior to granting a discount.
    - (1) Alarm ONLY (Cov. Code 1) and Active Disabling Devices (Cov. Code 2)  
A 5% discount on Comprehensive Coverage will be afforded on vehicles equipped with **(1)** alarm only devices which sound an audible alarm that can be heard at a distance of at least 300 feet for a minimum of three minutes, or **(2)** active disabling devices which disable the vehicle by making the fuel, ignition or starting system inoperative. A disabling device is categorized as active if a separate manual step IS required to engage the device.
    - (2) Passive Disabling Devices (Cov. Code 3)  
A 15% discount on Comprehensive Coverage will be afforded on vehicles equipped with passive disabling devices which disable the vehicle by making the fuel, ignition or starting system inoperative. A disabling device is categorized as passive if a separate manual step is NOT required to engage the device.
8. Safety Equipment Discounts
- a. Passive Restraint Discount  
The following discounts apply to Medical Payments and/or any No-Fault Coverage **only**. To qualify, the private passenger auto must be equipped with a factory installed automatic occupant restraint, conforming to the federal crash protection requirements, and meeting the criteria of either Paragraph **(1)** or **(2)** below:
    - (1) 20% discount will be afforded when the restraint is installed in the driver-side only position.
    - (2) 30% discount will be afforded when the restraints are installed in both front outboard seat positions.
  - b. Anti-Lock Braking System Discount

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A 5% discount for Bodily Injury and Property Damage Liability (or Single Limit Liability) coverages will be afforded for those private passenger autos equipped with a factory installed four wheel Anti-Lock Braking System (ABS). Satisfactory evidence of factory installation of an Anti-Lock Braking System must be provided prior to granting a discount.

#### 9. Other Discounts

##### a. Homeowner's Discount

A 5% discount applies to bodily injury/ property damage, medical payments, no-fault (if applicable), comprehensive and collision.

##### b. Transfer Discount

A 5% discount applies to all coverages. To qualify, the current agent be the policyholder's servicing agent for the past twelve (12) months and the agency is able to certify that the policyholder has been loss free for the past twelve (12) months on all vehicles to be covered under this program.

##### c. Multi-policy Discount

If the company also provide a policy to the named insured insuring one of the following vehicle types, a 20% discount will apply to all coverages:

- (1) Conventional Motor Home (Class A)
- (2) Mini-motor home (Class C)
- (3) Camper van (Class B)
- (4) Bus conversion
- (5) Medium duty tow vehicle
- (6) Converted medium duty tow vehicle

If the company also provide a policy to the named insured insuring one of the following vehicle types, a 12% discount will apply to all coverages:

- (1) Conventional travel trailer
- (2) Fifth wheel camper
- (3) Pop-up camper

#### 10. Pickups and Vans

a. Liability and Physical Damage: Rate as private passenger auto.

b. For pickups without an applicable symbol, determine a symbol based on original cost new from the Price/Symbol Charts in the Symbol and Identification Manual.

c. Refer to Rule **XIV.H.** for rating of custom equipment on pickups and vans.

#### D. Insurance Scoring

1. Insurance scoring factors will not be used for risks where the named insured has an international driver's license.

2. Insurance Score Tier Factors:

a. Level A: insurance score of 906 or greater. Factor is .80.

b. Level B: insurance score between 883 and 905, inclusive. Factor is .904.

c. Level C: insurance score between 852 and 882, inclusive. Factor is 1.00.

d. Level D: insurance score between 810 and 851, inclusive. Factor is 1.20.

e. Level E: insurance score of 809 or less. Factor is 1.35.

f. Level F: no insurance score generated due to insufficient credit. Factor is 1.00.

g. Level Z: no insurance score generated because of no match in credit file. Factor is 1.00.

3. Insurance scoring factors will apply to the following coverages:

a. Bodily Injury/Property Damage

b. Medical Payments

c. Comprehensive

d. Collision

e. Replacement Cost Coverage

f. Diminishing Deductible Coverage

g. Personal Injury Protection

4. If the company has obtained an insurance score for another policy or quote provided to the named insured within ninety (90) days of the request for a quote under this program, that insurance score will be used for the quote provided under this program as well.

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- 5. Insurance scores will be obtained on the named insured as follows:
  - a. If the named insured is a trust, we will obtain an insurance score on the first named trustee.
  - b. If the named insured is a LLC, we will obtain an insurance score on the first named member.
  - c. If the named insured is a partnership, we will obtain an insurance score on the first named partner.
- 6. An insurance score will be obtained for new business and at each renewal.

**E. Motor Vehicle Accident Prevention Course Discount**

**LIABILITY, MEDICAL PAYMENTS AND COLLISION**

- 1. The Motor Vehicle Accident Prevention Course Discount applies to the premiums for single limit liability or bodily injury and property damage liability, medical payments, and collision coverages.

**Exception**

This discount does not apply to vehicles classified and rated under the Miscellaneous Types Rule unless otherwise specified.

- 2. Private Passenger Autos principally operated by an adult operator will be subject to a Motor Vehicle Accident Prevention Course Discount of 10% provided the adult principal operator of the auto:
  - a. Is age 55 or over, and
  - b. Has a completion certificate, dated within the last 36 months, certifying that the principal operator has successfully completed an approved Motor Vehicle Accident Prevention Course.
- 3. The 10% Motor Vehicle Accident Prevention Course Discount will be applied in accordance with the following:
  - a. Only to the auto principally operated by the operator with the course completion certificate.
  - b. Only once to each such auto regardless of the number of operators with course completion certificates.
- 4. An approved Motor Vehicle Accident Prevention Course will:
  - a. Be approved by the Arkansas Department of Motor Vehicles, and
  - b. Be taught by an approved instructor, and
  - c. Include the minimum hours of classroom and field driving instruction prescribed by the Arkansas Department of Motor Vehicles, and
  - d. Will not be self-instructed.

**V. DRIVER SURCHARGE PLAN**

**A. Eligibility**

All autos rated under these rules will be subject to the Driver Surcharge Plan.

**B. Definitions**

**1. Driving Record Points**

**a. Convictions**

Points will be assigned for convictions during the experience period for motor vehicle violations of the applicant/named insured or any current resident operator as follows:

(1) Three points are assigned for conviction of:

- (a) Driving while intoxicated or under the influence of drugs; or
- (b) Failure to stop and report when involved in an accident; or
- (c) Homicide or assault arising out of the operation of a motor vehicle; or
- (d) Driving while license is suspended or revoked.

(2) One point is assigned for conviction of any other moving traffic violation in excess of 1 moving traffic violation during the experience period.

**b. Accidents**

Points will be assigned for each accident that occurred during the experience period, involving the applicant or any current resident operator, while operating an auto.

(1) One point is assigned for each auto accident that results in:

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- (a) Bodily injury, or death; or
  - (b) Total damage to all property, including his or her own, in excess of \$1,000.
  - (2) One point is assigned if, during the experience period there were two or more accidents each of which resulted in damage to property but have not been assigned a point under (1) above.  
**Exceptions:**
    - (a) No points are assigned for accidents incurred by an operator demonstrated to be a named insured or a operator of an auto insured under a separate policy; and
    - (b) No points are assigned for accidents occurring under the following circumstances:
      - (i) Auto lawfully parked (if the parked vehicle rolls from the parked position then any such accident is charged to the person who parked the auto); or
      - (ii) The applicant, owner or other resident operator reimbursed by, or on behalf of, a person who is responsible for the accident or has judgment against such person; or
      - (iii) Auto is struck in the rear by another vehicle and the applicant or other resident operator has not been convicted of a moving traffic violation in connection with this accident, or
      - (iv) Operator of the other auto involved in the accident was convicted of a moving traffic violation and the applicant or resident operator was not convicted of a moving traffic violation in connection with the accident; or
      - (v) Auto operated by the applicant or any resident operator is struck by a "hit-and-run" vehicle, if the accident is reported to the proper authority within 24 hours by the applicant or resident operator; or
      - (vi) Accidents involving damage by contact with animals or fowl; or
      - (vii) Accidents involving Physical Damage, limited to and caused by flying gravel, missiles, or falling objects;
      - (viii) Accidents occurring when using auto in response to an emergency if the operator of the auto at the time of accident was a paid or volunteer member of any Police or Fire Department, First Aid Squad, or any law enforcement agency. This exception does not include an accident occurring after the auto ceases to be used in response to such emergency; or
      - (ix) Accidents where the driver is not at fault.
- c. Inexperienced Operator
- (1) If an operator of the auto has no point assigned for an accident or conviction but has been licensed less than two years, one point is assigned. Sub- Classification 1B applies.
  - (2) Sub-Classification 1A applies only when the driver has a total of one point assigned based on the operator's accident or conviction record.
    - (a) If the operator of the auto has been licensed for less than two years but HAS a point assigned for an accident or conviction, assign a point only for the accident or conviction, not for the operator's inexperience. Sub-Classification 1A applies.
    - (b) If the operator does not qualify for the Inexperienced Operator point assignment in accordance with (1) above, but the policy has a total of one point assigned based on any operator's accident or conviction record, Sub-Classification 1A applies.
  - (3) If the operator qualifies for Inexperienced Operator point assignment but the policy also insures other operators who have point assigned for accidents and convictions, SubClassifications 2, 3 or 4 apply.
- d. Refund of Surcharged Premium
- If a point has been assigned for an accident and it is later determined that the accident falls under one of the exceptions in this rule, the company will refund to the insured the increased portion of the premium generated by the accident.
- e. A driver with an international Driver's License is rated at Driver SubClassification 2.

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2. Experience Period

The experience period will be the three years immediately preceding the date of application or the effective date of the renewal.

**C. Driving Record Sub-Classification**

The driving record sub-classification will be determined from the number of Driving Record Points accumulated during the experience period as follows:

Number of Driving Record Points	Driving Record Sub-Classification
0	0
1	1
2	2
3	3
4 or more	4

**D. Multi-Car Risk**

1. Two or More Car Risk

The Driving Record Sub-Classification, as determined above, will apply to each auto as shown under the Multi-Car Section in the Secondary Table.

**E. Administration of Driver Surcharge Plan**

1. New Business

a. Initial information necessary to assign the proper Driving Record Sub-Classification will be obtained from an application signed personally by the applicant and verified by driver motor vehicle record.

2. Renewal Business

Information necessary to assign proper renewal Driving Record Sub-Classification will be determined from any one or combination of the following:

- a. Company's own records; or
- b. Motor Vehicle records; or
- c. An application signed by the applicant.

**VI. MODEL YEAR/AGE GROUPS FOR COMPREHENSIVE AND COLLISION COVERAGES**

**A. Where Model Year Is Used in Rating:**

- 1. The model year of the auto is the year assigned by the auto manufacturer.
- 2. Rebuilt or Structurally Altered Autos – the model year of the chassis determines the model year of the auto.
- 3. If the rates for a model year are not displayed in the Rate Pages, use the rates shown for the latest model year.

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- B. Where Age Is Used in Rating:
  - 1. Age is determined as follows:

Age Group	Definition
1	Autos of current model year
2	Autos of First preceding year
3	Autos of second preceding year
4	Autos of third preceding year
5	Autos of fourth preceding year
6	All Other Autos

\*The "current model year," as used in this section, changes effective October 1 of each calendar year regardless of the actual introduction of the makes and models.

- 2. Rebuilt or Structurally Altered Autos – the age of the chassis determines the age of the autos.

**VII. MINIMUM PREMIUM RULE**

- A. A minimum annual premium charge will be made for each policy, certificate, declaration or binder covering one or more of the following perils:
  - 1. Comprehensive,
  - 2. Collision,
  - 3. Single Limit Liability,
  - 4. Bodily Injury Liability, or
  - 5. Property Damage Liability.
- B. Premium for other coverages which may also be included in the policy will be in addition to the minimum annual premium.
- C. The minimum annual premium charge is not subject to reduction except – in the event of cancellation or short term policy, the minimum annual premium charge will be adjusted on a pro rata or short rate basis, as the conditions require.
- D. Minimum written premium of \$150 will apply.

**VIII. POLICY PERIOD**

- A. The standard policy period will be 12 months.  
No policy providing Liability Coverage may be written or renewed for a term of less than 6 months.
- B. Premium charged for policy terms of less than 12 will be determined as follows:
  - 1. 3, 6 and 9 Month Policies
    - a. For a specified 3, 6 or 9 month period the premium charge is 25%, 50% or 75% of the annual premium, respectively.
    - b. For Policies issued for a 3, 6 or 9 month period, with an effective date on the 29th, 30th or 31st of any month, the first policy can be extended from the effective date to the first day of the calendar month following the expiration of the policy. Premium for this extended coverage of 1 to 3 days will be calculated on a pro-rata basis of the annual premium.
  - 2. Exceptions:  
The premium is computed Pro Rata:
    - a. When coverage is written to secure a common policy date with other coverages or lines of insurance.

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- b. When a policy is issued on a short rate basis to replace an outstanding policy of a company in liquidation, provided the new policy is based upon the rules and rates in effect at the time replacement is made and will be in effect for a period equal to the unexpired term of the outstanding policy.
- c. When a statutory policy is required by a state or municipality to expire on a fixed date and the policy is written to expire on such date.

#### IX. CHANGES

- A. All changes requiring premium adjustments will be computed pro rata.
- B. Minimal Premium Adjustments
  - 1. If an outstanding policy is amended or cancelled, and results in a minimal premium adjustment of less than \$5, the amount may be waived, except that the actual return premium will be returned at the request of the insured.
  - 2. If the limits of liability are increased because of a change in the limits prescribed under any financial responsibility law, the additional premium charge will be the actual difference in premium charges.

#### X. CANCELLATION

- A. If a policy is cancelled,
    - 1. By the company, return premium will be computed on a pro rata basis.
    - 2. By the insured:
      - a. Return premium will be computed at 90% of the pro rata unearned premium for one year policies.
      - b. For three-month and six-month policies or other policy terms of less than one year, compute return premium at 90% of the pro rata unearned premium for the policy term.
  - Exceptions:**  
Compute return premium on a pro rata basis in the following cases:
    - (1) If the insured has disposed of the insured vehicle and takes out a new policy in the same company on another vehicle, to become effective within thirty days of the date of cancellation.
    - (2) If the insured auto is repossessed under terms of a financing agreement.
    - (3) If the insured enters the armed forces of the United States of America.
    - (4) If the insured auto is stolen or destroyed (total or constructive loss) and cancellation is requested by the insured:
      - (a) within 30 days following the date the auto is stolen or destroyed, or
      - (b) within 15 days of the time the auto was determined by the company:
        - (i) to be unrecoverable if stolen, or
        - (ii) to be a total or constructive loss.
    - (6) If a vehicle or form of coverage is cancelled from a policy and the policy remains in force.
  - 3. A cancellation fee of \$50 will apply to any flat cancellation.
  - B. The unearned premium for any cancellation will be determined as follows:
    - 1. Determine the number of days in the policy.
    - 2. Determine the number of days from the cancellation date to the expiration date of the policy.
    - 3. Divide the result of 2. above by the result of 1. above and round to three decimal places.
    - 4. The result of 3. above will be multiplied times the annual premium for each coverage, and rounded to 2 decimal places, to determine the return premium for each coverage.
    - 5. The sum of the premiums by coverage in 4. above will be compared to the minimum earned premium to determine if the minimum earned premium will be triggered.
- Reference to 3 Month Term Policies do not apply.

#### XI. WHOLE DOLLAR PREMIUM

- a. The premium for each exposure will be rounded to the nearest whole dollar separately for each coverage, when determining the annual premium.
- b. A premium involving \$.50 or more will be rounded to the next higher whole dollar.

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- c. All interim premium adjustments, including endorsements or cancellations will be rounded to two decimals.
- d. The phrase "each exposure" as used herein will mean each premium developed (after the application of all applicable adjustments) for (1) each auto, if written on a per car basis, and (2) for all other auto business.

**XII. RULES FOR DETERMINING PHYSICAL DAMAGE BASE RATES FOR SYMBOLS NOT DISPLAYED ON RATE PAGES**

**A. Symbol 27 Vehicles**

Develop the Base Rates for Symbol 27 vehicles as follows:

**1. Comprehensive**

- a. Increase the factor for Symbol 26 by +0.74 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost; and
- b. Apply this factor to the Symbol 8 rate on the rate pages for the applicable model year.

**2. Collision**

- a. Increase the factor for Symbol 26 by +0.35 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost; and
- b. Apply this factor to the Symbol 8 rate on the rate pages for the applicable model year.

**XIII. SUSPENSION**

- A. Insurance may be suspended by use of the suspension of insurance endorsement (**PP 02 01**). However, coverage may not be suspended for:
  - 1. The minimum required insurance coverages for a motor vehicle which is registered in the state; or
  - 2. Risks for which a financial responsibility filing is in effect.
- B. Insurance may be reinstated by use of the reinstatement of insurance endorsement (**PP 02 02**).
- C. The reinstatement of insurance endorsement (**PP 02 02**) will not extend the policy beyond its original expiration date
- D. Pro rata premium credit will be granted for the period of suspension upon reinstatement provided the period of suspension is at least thirty (30) consecutive days. The company will retain a minimum of ninety days premium calculated on a pro rata basis for the policy period.
- E. If the policy expires during the period of suspension, the named insured will be entitled to pro rata return premium in accordance with the foregoing provisions of this rule with respect to the minimum period of suspension and minimum premium retention by the company.
- F. If liability or collision is suspended on all private passenger autos owned by an individual or husband and wife, use of other autos coverage, for liability only, afforded without separate premium charge under a Personal Auto Policy may be continued in force. In this case, 80% pro rata of the owned auto premium calculated in accordance with the provisions of this rule will be returned to the insured upon reinstatement of the coverages.

**XIV. MISCELLANEOUS COVERAGES**

**A. Uninsured Motorists Coverage**

This rule applies except as follows:

- 1. Owners (Class Code – Refer to Statistical Plan)

**BODILY INJURY**

This form of auto insurance must be afforded at limits not less than the financial responsibility limits under every auto liability policy issued or delivered to the owner of a motor vehicle registered or principally garaged in Arkansas. Attach applicable endorsement.

**Exceptions**

- (1) The named insured has the right to reject such coverage in writing.

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- (2) After a named insured rejects such coverage, the insurer will not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- (3) The written agreement to reject such coverage will continue until the rejection is withdrawn in writing by the named insured.

**Increased Limits**

If a named insured or applicant purchases liability limits greater than the financial responsibility limits, increased limits of Uninsured Motorists Coverage must be offered in amounts up to the liability limits on the policy.

**Note:**

- a. An insured or applicant who does not want to purchase increased limits will reject such increased limits in writing on the application for insurance coverage.

If such renewal policy has Uninsured Motorists Coverage at limits less than the liability limits provided on the policy, increased limits will not be afforded unless a named insured requests such coverage in writing.

**PROPERTY DAMAGE**

If Bodily Injury Uninsured Motorists Coverage is purchased, the named insured must be offered Property Damage Uninsured Motorists Coverage, subject to a \$200 deductible.

**Exceptions**

- (1) Property Damage Uninsured Motorists limits will be made available up to the policy's property damage liability limits.
- (2) The named insured has the right to reject Property Damage Uninsured Motorists Coverage in writing.
- (3) After the named insured has rejected such coverage, it will not again be made available in any continuation, renewal, reinstatement, or replacement policy issued by the Company unless the insured requests such coverage in writing.
- (4) Whenever a new application is submitted in connection with any renewal, reinstatement, or replacement policy, the provisions of this rule will apply in the same manner as if a new policy is being issued.

Rates

Rates for basic and increased limits coverage are displayed on the rate pages. Uninsured Motorists Coverage rates are provided for the following risks:

- (1) Single Car Risk
- (2) Multi-Car Risk

Rates for multi-car risks are on a per-car basis. Apply these rates to each car including the first car.

The provisions of Rule 4. Classifications and Rule 5. Driver Surcharge Plan do not apply to the rates for this coverage.

**B. Underinsured Motorists Coverage**

1. Owners

- a. This form of auto insurance will be offered in limits at least equal to the Financial Responsibility law limits under every automobile liability insurance policy covering liability arising out of the ownership, maintenance or use of any motor vehicle in Arkansas.

Underinsured Motorists Coverage must be offered for all new policies issued.

**Exceptions**

- (a) If the named insured does not elect Underinsured Motorists Coverage, the coverage must be rejected in writing.
  - (b) This coverage will not be provided and must be rejected in writing if the named insured has rejected Bodily Injury Uninsured Motorists Coverage.
  - (c) After a named insured rejects such coverage, the Company will not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- b. If Underinsured Motorists Coverage is provided:
    - (1) The coverage will apply to all vehicles insured under the policy.

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(2) Uninsured Motorists Coverage and Underinsured Motorists Coverage must be provided at the same limits.

(3) Attach the applicable endorsement at basic or increased limits.

c. Rates

(1) Rates are displayed on the rate pages. Underinsured Motorists Coverage rates are provided for the following risks:

(a) Single Car Risk

(b) Multi-Car Risk

Rates for multi-car risks are on a per-car basis. Apply these rates to each car including the first car.

(2) The provisions of Rule 4. Classifications and Rule 5. Driver Surcharge Plan do not apply to the rates for this coverage.

C. Deductible Insurance

1. Deductible Liability Insurance is not available for vehicles classified and rated under this program.

2. Comprehensive Deductibles for Which No Premium Is Shown

Factor applied to \$500 Deductible Comprehensive Premium

\$50 Deductible	1.36
\$100 Deductible	1.30
\$200 Deductible	1.19
\$250 Deductible	1.15
\$1,000 Deductible	.81
\$1,500 Deductible	.66
\$2,000 Deductible	.55
\$2,500 Deductible	.45

3. Collision Deductibles for Which No Premium Is Shown

Factor applied to \$500 Deductible Collision Premium

\$100 Deductible	1.21
\$200 Deductible	1.14
\$250 Deductible	1.11
\$1,000 Deductible	.85
\$1,500 Deductible	.72
\$2,000 Deductible	.62
\$2,500 Deductible	.54

D. Optional Limits Transportation Expenses Coverage

1. The \$20/600 limit for Transportation Expenses Coverage may be increased to the following limits:

Limits	Annual Rate Per Auto
\$30/\$900	Refer
\$40/\$1,200	To
\$50/\$1,500	Rate Pages

2. Rating

a. The provisions of Rule IV. Classifications and Rule V. Driver Surcharge Plan do not apply to the rates for this coverage.

b. Refer to the rate pages for the annual rate per auto for the specified limits.

3. Endorsement (PP 03 02)

Attach the Optional Increased Limits Transportation Expenses Coverage endorsement to the policy.

E. Towing and Labor Costs Coverage

1. Coverage

Coverage at the following limits is available with respect to any vehicle eligible for coverage under these rules, except trailers, for towing and labor expenses incurred due to disablement:

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Limit Per Disablement	Annual Rate Per Vehicle
\$25	
\$50	Refer To
\$75	Rate Pages
\$100	

2. Rating

- a. The provisions of Rule **IV**. Classifications and Rule **V**. Driver Surcharge Plan do not apply to the rates for this coverage.
- b. Refer to the rate pages for the annual rate per auto for the specified limits.

3. Endorsement (**PP 03 03**)

Attach the towing and labor costs coverage endorsement.

**F. Excess Electronic Equipment Coverage**

1. Coverage

Electronic equipment that reproduces, receives or transmits audio, visual or data signals which is permanently installed in the vehicle at the time of loss, is automatically covered under the policy without additional premium charge. Such equipment includes, but is not limited to:

- a. Radios and Stereos;
- b. Tape decks;
- c. Compact Disk Systems;
- d. Navigation Systems;
- e. Internet Access Systems;
- f. Personal Computers;
- g. Video Entertainment Systems;
- h. Telephones;
- i. Televisions;
- j. Two-way Mobile Radios;
- k. Scanners; or
- l. Citizens Band Radios.

However, electronic equipment that reproduces, receives or transmits audio, visual or data signals which is permanently installed in locations not used by the vehicle manufacturer for installation of such equipment, is subject to a sublimit of \$1,000. This sublimit may be increased to any one of the limits shown in **2.** below.

2. Rating

The provisions of Rule **IV**. Classifications and Rule **V**. Driver Surcharge Plan do not apply for this coverage.

Maximum Limit Of Liability For Excess Electronic Equipment	Premium Per Auto
\$1,500	
\$2,000	
\$3,000	Refer to
\$3,500	Rate Pages
\$4,000	
\$4,500	
\$5,000	

3. Endorsement (**PP 13 03**)

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Attach the excess electronic equipment coverage endorsement to the policy.

**G. Tapes, Records, Disks And Other Media Coverage**

- 1. Additional coverage for \$200 worth of tapes, records, disks and other media applies at no additional charge when coverage is provided for increased limits for excess electronic equipment.
- 2. If coverage is not provided for increased limits for excess electronic equipment, coverage for \$200 worth of tapes, records, disks and other media is available for an additional charge. Refer to rate page for the premium per auto.
- 3. Rating  
The provisions of Rule IV. Classifications and Rule V. Driver Surcharge Plan do not apply for this coverage.
- 4. Endorsement (PP 13 03)  
Attach the excess electronic equipment coverage endorsement to the policy.

**H. Excess Custom Equipment Coverage**

**1. Coverage**

Coverage for original manufacturer custom equipment is automatically provided for any vehicle when Comprehensive and/or Collision coverage is afforded.

Coverage for aftermarket custom equipment is automatically provided for any vehicle up to \$1,500, without additional premium charge, when Comprehensive and/or Collision coverage is afforded. This limit may be increased. Aftermarket custom equipment includes, but is not limited to:

- a. Special carpeting or insulation;
- b. Furniture or bars;
- c. Height-extending roofs;
- d. Body, engine, exhaust or suspension enhancers;
- e. Winches, or anti-roll or anti-sway bars;
- f. Custom grilles, louvers, side pipes, hood scoops or spoilers;
- g. Custom wheels, tires or spinners;
- h. Custom chrome, murals, paintwork, decals or other graphics; or
- i. Caps, covers or bedliners.

**2. Rating**

- a. The \$1,500 limit for aftermarket custom equipment may be increased to any of the following limits:

Maximum Limit Of Liability For Excess Custom Equipment	Rate Per Auto
\$2,000	
\$3,000	
\$4,000	Refer
\$5,000	To
\$6,000	Rate
\$7,000	Pages
\$8,000	
\$9,000	
\$10,000	

- b. The provisions of Rule IV. Classifications and Rule V. Driver Surcharge Plan do not apply for this coverage.

**3. Endorsement (PP 03 13)**

Attach the Excess Custom Equipment Coverage Endorsement.

**I. Limited Mexico Coverage**

- 1. At the request of the insured, a policy may be extended to apply to accidents occurring in Mexico on a trip of ten days or less if within twenty-five miles of the United States border.
- 2. Rating
  - a. Refer to the rate pages.

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b. The provisions of Rule **IV. Classifications** and Rule **V. Driver Surcharge Plan** do not apply for this coverage.

3. Attach the limited Mexico coverage endorsement (**PP 03 21**).

**J. Auto Loan/Lease Coverage**

1. Eligibility

A policy providing both collision and comprehensive coverage may be extended to provide coverage for the difference between the outstanding indebtedness on a loan/lease agreement on a vehicle, and the actual cash value of the vehicle, subject to the following:

a. Auto Loan/Lease Coverage may be provided only to a vehicle that is a private passenger auto, pickup or van; and

b. The insured must request the auto loan/lease coverage within 30 days of leasing or financing a vehicle.

c. This coverage is not available if Replacement Cost Coverage is selected.

2. Rates

a. Charge 7% of both the \$500 Collision and Comprehensive Coverage premiums for the auto loan/lease coverage.

b. The provisions of Rule **IV. Classifications** and Rule **V. Driver Surcharge Plan** do not apply for this coverage.

3. Endorsement (**PP 03 35**)

Attach the auto loan/lease coverage endorsement to the policy.

**K. Trip Interruption Coverage**

1. Description

This coverage is available only for vehicles to which Collision and Other Than Collision coverages are afforded.

Trip Interruption Coverage provides:

a. Transportation expenses incurred in the event of a mechanical or electrical breakdown of a specified auto.

b. Expenses incurred for lodging and meals in the event of a covered physical damage loss or mechanical or electrical breakdown of a specified auto.

2. Rating

a. Refer to the rate pages for the annual rate per auto.

b. All premiums apply for the period of coverage.

c. The provisions of Rule **IV. Classifications** and Rule **V. Driver Surcharge Plan** do not apply to the rates for this coverage.

3. Endorsement (**PP 13 02**)

Attach the trip interruption coverage endorsement to the policy.

**L. Diminishing Deductibles**

1. Description

a. Optional coverage available if physical damage coverage is selected.

b. Reduces applicable deductible by 25% for each claim free calendar year.

c. Coverage can be purchased to apply separately to Comprehensive or Collision coverage.

2. Rating

a. Refer to the rate pages for the annual rate per auto.

b. The provisions of Rule **IV. Classifications** and Rule **V. Driver Surcharge Plan** do not apply to the rates for this coverage.

3. Endorsement (**PA 9010**)

Attach the Diminishing Deductibles coverage endorsement to the policy.

**M. Diminishing Deductibles Express**

1. Description

a. Optional coverage available if physical damage coverage is selected.

b. Reduces applicable deductible by 50% for each claim free calendar year.

c. Coverage can be purchased to apply separately to Comprehensive or Collision coverage.

2. Rating

a. Refer to the rate pages for the annual rate per auto.

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b. The provisions of Rule **IV. Classifications** and Rule **V. Driver Surcharge Plan** do not apply to the rates for this coverage.

**3. Endorsement (PA 9033)**

Attach the Diminishing Deductibles Express coverage endorsement to the policy.

**N. Replacement Cost Coverage**

**1. Description**

a. Optional coverage that replaces limit of liability settlement provisions in Part D of the policy so replacement cost coverage applies for a new vehicle model year and the first two subsequent years.

b. Only available in the following situations:

(1) Vehicle has never been titled; and

(2) Coverage is added within 30 days after the purchase of the vehicle.

c. Coverage is removed from the policy for a vehicle at the next renewal after the vehicle has reached three years from the original purchase date.

d. This coverage is not available if the Auto Loan/Lease Coverage is selected.

**2. Rating**

a. Charge 12% of both the \$500 Deductible Collision and Comprehensive Coverage premiums for the replacement cost coverage.

b. The provisions of Rule **IV. Classifications** and Rule **V. Driver Surcharge Plan** do not apply to the rates for this coverage.

**3. Endorsement (PA 9002)**

Attach the Replacement Cost coverage endorsement to the policy.

**O. Mexico Coverage**

1. At the request of the insured, coverage under Part D of the policy may be extended to apply to accidents occurring in Mexico with no time or distance limitation.

**2. Rating**

a. Refer to the rate pages.

b. The provisions of Rule **IV. Classifications** and Rule **V. Driver Surcharge Plan** do not apply for this coverage.

3. Attach the Mexico coverage endorsement (**PA 03 21**).

**P. Named Driver Exclusion**

**1. Applicability**

An automobile insurance policy may be endorsed to exclude all or specific coverage(s) when a motor vehicle is operated by a specifically excluded individual.

**2. Requirements**

a. The named driver exclusion endorsement must be signed by the named insured.

b. The named driver exclusion endorsement will remain in effect:

(1) For the term of the policy; and

(2) For each renewal, reinstatement, substitute, modified, replacement or amended policy; unless discontinued by the insurer.

c. If a named driver exclusion endorsement is attached to the policy:

(1) The premiums charged will not reflect the claim experience, driving record or rating classification of the named excluded driver with respect to the excluded coverages.

(2) The named excluded driver will not be listed as an operator of any auto covered under the policy.

d. If a loss payee is shown in the policy and physical damage coverage is excluded under the named driver exclusion endorsement, the loss payee may be sent a notice indicating that the policy contains a named driver exclusion.

**3. Endorsement**

Attach the named driver exclusion endorsement to the policy. (**PP 13 37**)

**XV. CERTIFIED RISKS – FINANCIAL RESPONSIBILITY LAWS**

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#### A. Surcharges

1. Surcharges apply to Liability coverages only.
2. For risks in which a surcharge has been applied under the Driver Surcharge Plan, the Rating Factor will be increased by .10.
3. In all other cases the appropriate charges shown below will be applied to the final premium for the affected coverages for the period of time the certificate is required but not more than three years (after 3 years a 5% surcharge applies) as follows:
  - a. 50% for driving a motor vehicle while intoxicated, or failing to stop and report when involved in an accident, or homicide or assault arising out of the operation of a motor vehicle.
  - b. 25% for driving a motor vehicle at an excessive rate of speed or in a reckless manner, where an injury to person or damage to property actually results therefrom.
  - c. 5% for any other reason requiring filing.

#### B. Owners

1. If an owner is required to file evidence of financial responsibility for owned autos and for the operation of autos which he does not own, the additional premium will be computed by applying the proper surcharge as indicated in **A.2.** or **A.3.** above and by applying the surcharge to the total non-ownership liability premium, modified in accordance with any applicable rating plan.
2. In all other cases, the additional premium will be as computed in **A.2.** or **A.3.** above.

#### XVI. RESERVED FOR FUTURE USE

#### XVII. EXTENDED NON-OWNED COVERAGE

##### A. Eligibility

The Extended Non-Owned Coverage endorsement (**PP 03 06**) may be used for an individual who owns an auto but also drives borrowed or rented autos. Coverage may also be extended to the spouse and resident relatives of that named individual.

##### B. Coverage

The Personal Auto Policy (PAP) may be extended to cover the following liability exposures:

1. Vehicles Furnished Or Available For Regular Use Except As Public Or Livery Conveyances  
Under the liability coverage section of the PAP, coverage is not provided for non-owned vehicles furnished or available for regular use. By choosing liability coverage under the Extended Non-Owned Coverage – Vehicles Furnished Or Available For Regular Use endorsement (**PP 03 06**), liability coverage afforded under the basic PAP may be extended to cover vehicles furnished or available for regular use except vehicles furnished for use as public or livery conveyances.
2. If liability coverage is extended under the Extended Non-Owned Coverage – Vehicles Furnished Or Available For Regular Use endorsement (**PP 03 06**), Medical Payments Coverage may also be similarly extended. If medical payments insurance is provided, primary medical payments insurance must be in effect for any non-owned vehicles furnished or available for use as public or livery conveyances.

##### C. Rating – Liability And Medical Payments Coverage

Charge the following percentage of the applicable premiums that would apply as if the insured owned the auto being covered, using the premium determination procedures set forth in Rule **III**. Premium Determination. If the auto is used in the business of the United States Government, charge the Primary Insurance in Effect percentage of the applicable premium.

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1. Vehicles Furnished Or Available For Regular Use Except Vehicles Furnished For Use As Public Or Livery Conveyances

**Primary Liability/Medical Payments Insurance In Effect**

Person(s) Named	Percentage Charge
Named Individual	12%
Named Individual and Resident Relatives (including Named Individual's Spouse)	13%

**No Primary Liability/Medical Payments Insurance In Effect**

Person(s) Named	Percentage Charge
Named Individual	90%
Named Individual and Resident Relatives (including Named Individual's Spouse)	100%

**D. Endorsements**

Attach the:

1. Extended Non-Owned Coverage – Vehicles Furnished Or Available For Regular Use endorsement (PP 03 06).

**XVIII. INCREASED LIMITS**

**A. The following increased limit factors will apply for Liability Coverages**

1. \$75,000 Single Liability Limit Increased Limits

Limit	Factor
\$75,000	1.00
\$100,000	1.07
\$200,000	1.24
\$300,000	1.34
\$500,000	1.44
\$1,000,000	1.56

2. \$25,000/\$50,000 Bodily Injury Split Limit Increased Limits

Limit	Factor
\$25/\$50	1.00
\$50/\$100	1.27
\$100/\$200	1.58
\$100/\$300	1.59
\$250/\$500	2.05
\$300/\$300	2.11
\$500/\$1,000	2.36
\$1,000/\$1,000	2.60

3. \$25,000 Property Damage Increased Limits

Limit	Factor
\$25,000	1.00
\$50,000	1.06
\$100,000	1.12
\$150,000	1.15
\$200,000	1.18

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\$250,000	1.20
\$500,000	1.25
\$750,000	1.27
\$1,000,000	1.28

**B. Medical Payments Increased Limits**

The following increased limits will apply for Medical Payments coverage

1.	<u>Limit</u>	<u>Factor</u>
	\$1,000	1.00
	\$2,000	1.70
	\$5,000	2.70
	\$10,000	3.46

**XIX. RATING TERRITORIES**

A. Territory assignment follows the territory as defined by ISO.

**XX. PAYMENT PLANS**

- A. Paid in full. Payment in full is required if the policy premium is less than \$150.
- B. 11-payment plan: 26% down payment, 10 monthly installments of 7.4%. This payment plan is only available if EFT is established. Installment fee of \$2 per installment.
- C. 5-payment plan: 26% down payment, 4 installments of 18.5% due in months 2, 4, 6 and 8. Installment fee of \$5 per installment unless EFT is selected, then fee is \$2 per installment.
- D. 2-payment plan: 60% down payment, 1 installment due in month 6. Installment fee of \$5 per installment unless EFT is selected, then fee is \$2 per installment.
- E. Non-sufficient funds fee: \$20.00. This fee is charged if any check is returned unpaid by the bank or if a requested credit card payment is declined.
- F. Late payment fee: \$20.00. This fee is charged if the payment is not received within 5 days of the payment due date.

**XXI. ADDITIONAL RULE(S)**

**ARKANSAS MEDICAL PAYMENTS INSURANCE, WORK LOSS COVERAGE AND ADDITIONAL DEATH BENEFIT**

**A. Eligibility**

Medical Payments Insurance, Work Loss Coverage and Accidental Death Benefit must be afforded under every auto liability policy issued or delivered to the owner of an auto registered or principally garaged in Arkansas.

If one or more of these coverages are afforded, attach the applicable endorsement to the policy.

**Exceptions**

- 1. The named insured has the right to reject one or more of such coverages in writing and must reject the Statutory Limit of Medical Payments in writing if lower or higher limits are requested.
- 2. After the named insured rejects one or more of such coverages, the insurer will not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.

**B. Coverages and Rates**

**1. Medical Payments**

**a. Limits**

Statutory Limit per person – \$5,000.

- (1) Lower or higher limits are permitted, only when the named insured has rejected the Statutory Limit.
- (2) A maximum limit of \$5,000 applies to pedestrians who are other than the named insured or a relative.

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**(3)** Basic and Increased Limits of Personal Auto Medical Payments Coverage may be purchased only when the named insured has rejected Arkansas Medical Payments Coverage.  
Refer to the Exceptions to Eligibility above for rejection procedures.

**b.** Rates

**(1)** Use the base rates for Medical Payments Insurance.

**(2)** The Classifications and DSP Rules apply.

**2.** Work Loss Coverage

**a.** Limits

Maximum per person

**(1)** For an Income Earner – \$140 per week for 52 weeks.

**(2)** For a Non-Income Earner – \$70 per week for 52 weeks.

**b.** Rates

**(1)** Motorcycles, Motorscooters, Motorbikes or Similar Motor Vehicles – Refer to Company.

**(2)** All Other Motor Vehicles

- Rates are displayed on the rate pages.
- The Classifications and DSP Rules do NOT apply

**3.** Accidental Death Benefit

**a.** Limits

Maximum per person – \$5,000.

**b.** Rates

**(1)** Motorcycles, Motorscooters, Motorbikes or Similar Motor Vehicles – Refer to Company.

**(2)** All Other Motor Vehicles

- Rates are displayed on the rate pages.
- The Classification and DSP Rules do NOT apply.

**Note**

When adding Work Loss Coverage and/or Accidental Death Benefit to outstanding policies:

Charge 10% of the annual rates for each month or part of a month insured, up to a maximum of the rate per car, per year shown on the rate pages. Refer to company for the minimum premiums applicable to this coverage.

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**XXI. CLASS PLAN – RATING FACTORS AND STATISTICAL CODES**

**A. PRIMARY CLASSICATION**

**NO YOUTHFUL OPERATOR**

Operator Age		Pleasure Use	DRIVE TO OR FROM WORK		Business Use	Farm Use
			Less than 15 Miles	15 or More Miles		
Operator Age 30-39	<b>Factor Code</b>	<b>1.00</b> 8161	<b>1.05</b> 8162	<b>1.15</b> 8163	<b>1.20</b> 8168	<b>0.85</b> 8169
Operator Age 40-49	<b>Factor Code</b>	<b>0.90</b> 8151	<b>0.95</b> 8152	<b>1.05</b> 8153	<b>1.10</b> 8158	<b>0.75</b> 8159
Operator Age 50-64	<b>Factor Code</b>	<b>0.80</b> 8851	<b>0.85</b> 8852	<b>0.95</b> 8853	<b>1.00</b> 8858	<b>0.65</b> 8859
Operator Age 65-74	<b>Factor Code</b>	<b>0.85</b> 8801	<b>0.90</b> 8802	<b>1.00</b> 8803	<b>1.05</b> 8808	<b>0.70</b> 8809
Operator Age 75-79	<b>Factor Code</b>	<b>1.00</b> 8121	<b>1.05</b> 8122	<b>1.15</b> 8123	<b>1.20</b> 8128	<b>0.85</b> 8129
Operator Age 80-84	<b>Factor Code</b>	<b>1.00</b> 8141	<b>1.05</b> 8142	<b>1.15</b> 8143	<b>1.20</b> 8148	<b>0.85</b> 8149
Operator Age 85 or Over	<b>Factor Code</b>	<b>1.00</b> 8201	<b>1.05</b> 8202	<b>1.15</b> 8203	<b>1.20</b> 8208	<b>0.85</b> 8259

**ALL OTHER OPERATORS AGE 25-29:** In accordance with Rule **IV.C.2.**, this classification applies to operators age 25-29 who are NOT eligible for any Youthful Operator classification.

<b>All Other Operators Age 25-29</b>	<b>Factor Code</b>	<b>1.00</b> 8301	<b>1.05</b> 8302	<b>1.15</b> 8303	<b>1.20</b> 8308	<b>0.85</b> 8459
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**YOUTHFUL OPERATOR**

AGE			UNMARRIED MALE – NOT ELIGIBLE FOR GOOD STUDENT CREDIT			
			Not Owner or Principal Operator		Owner or Principal Operator	
			Pleasure Use Or Farm Use	Drive to Work or Business Use	Pleasure Use or Farm Use	Drive to Work or Business Use
WITHOUT DRIVER TRAINING	17 or Less	Factor Code	2.50 8400	2.65 8403	3.30 8600	3.45 8603
	18	Factor Code	2.50 8401	2.65 8405	3.30 8601	3.45 8605
	19	Factor Code	2.50 8451	2.65 8455	3.30 8651	3.45 8655
	20	Factor Code	2.50 8450	2.65 8453	3.30 8650	3.45 8653
WITH DRIVER TRAINING	17 or Less	Factor Code	2.25 8460	2.40 8463	3.00 8660	3.15 8663
	18	Factor Code	2.25 8470	2.40 8473	3.00 8670	3.15 8673
	19	Factor Code	2.25 8480	2.40 8483	3.00 8680	3.15 8683
	20	Factor Code	2.25 8490	2.40 8493	3.00 8690	3.15 8693
WITH OR WITHOUT DRIVER TRAINING	21 thru 24	Factor Code	1.35 8754	1.50 8755	1.75 8704	1.90 8705
	25 thru 29	Factor Code	CLASSIFY AS ALL OTHER OPERATORS AGE 25-29		1.30 8708	1.45 8709

AGE			UNMARRIED MALE – GOOD STUDENT CLASSIFICATIONS			
			Not Owner or Principal Operator		Owner or Principal Operator	
			Pleasure Use Or Farm Use	Drive to Work or Business Use	Pleasure Use or Farm Use	Drive to Work or Business Use
WITHOUT DRIVER TRAINING	17 or Less	Factor Code	2.25 8406	2.40 8408	3.00 8606	3.15 8608
	18	Factor Code	2.25 8402	2.40 8404	3.00 8602	3.15 8604
	19	Factor Code	2.25 8452	2.40 8454	3.00 8652	3.15 8654
	20	Factor Code	2.25 8456	2.40 8458	3.00 8656	3.15 8658
WITH DRIVER TRAINING	17 or Less	Factor Code	2.00 8466	2.15 8468	2.65 8666	2.80 8668
	18	Factor Code	2.00 8476	2.15 8478	2.65 8676	2.80 8678
	19	Factor Code	2.00 8486	2.15 8488	2.65 8686	2.80 8688
	20	Factor Code	2.00 8496	2.15 8498	2.65 8696	2.80 8698
WITH OR WITHOUT DRIVER TRAINING	21 thru 24	Factor Code	1.15 8756	1.30 8757	1.50 8706	1.65 8707

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**YOUTHFUL OPERATOR**

AGE			MARRIED MALE			
			Not Eligible for Good Student Credit		Eligible for Good Student Credit	
			Pleasure Use Or Farm Use	Drive to Work or Business Use	Pleasure Use or Farm Use	Drive to Work or Business Use
<b>WITHOUT DRIVER TRAINING</b>	<b>17 or Less</b>	<b>Factor Code</b>	<b>1.55</b> 8924	<b>1.70</b> 8925	<b>1.40</b> 8926	<b>1.55</b> 8927
	<b>18</b>	<b>Factor Code</b>	<b>1.55</b> 8934	<b>1.70</b> 8935	<b>1.40</b> 8936	<b>1.55</b> 8937
	<b>19</b>	<b>Factor Code</b>	<b>1.55</b> 8944	<b>1.70</b> 8945	<b>1.40</b> 8946	<b>1.55</b> 8947
	<b>20</b>	<b>Factor Code</b>	<b>1.55</b> 8954	<b>1.70</b> 8955	<b>1.40</b> 8956	<b>1.55</b> 8957
<b>WITH DRIVER TRAINING</b>	<b>17 or Less</b>	<b>Factor Code</b>	<b>1.40</b> 8964	<b>1.55</b> 8965	<b>1.25</b> 8966	<b>1.40</b> 8967
	<b>18</b>	<b>Factor Code</b>	<b>1.40</b> 8974	<b>1.55</b> 8975	<b>1.25</b> 8976	<b>1.40</b> 8977
	<b>19</b>	<b>Factor Code</b>	<b>1.40</b> 8984	<b>1.55</b> 8985	<b>1.25</b> 8986	<b>1.40</b> 8987
	<b>20</b>	<b>Factor Code</b>	<b>1.40</b> 8994	<b>1.55</b> 8995	<b>1.25</b> 8996	<b>1.40</b> 8997
<b>WITH OR WITHOUT DRIVER TRAINING</b>	<b>21 thru 24</b>	<b>Factor Code</b>	<b>1.25</b> 8554	<b>1.40</b> 8555	<b>1.05</b> 8556	<b>1.20</b> 8557
	<b>25 thru 29</b>		<b>CLASSIFY AS ALL OTHER OPERATORS AGE 25-29</b>			

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**YOUTHFUL OPERATOR**

AGE			UNMARRIED FEMALE – NOT ELIGIBLE FOR GOOD STUDENT CREDIT			
			Not Owner or Principal Operator		Owner or Principal Operator	
			Pleasure Use Or Farm Use	Drive to Work or Business Use	Pleasure Use or Farm Use	Drive to Work or Business Use
WITHOUT DRIVER TRAINING	17 or Less	Factor Code	2.10 8024	2.25 8025	2.60 8124	2.75 8125
	18	Factor Code	2.10 8034	2.25 8035	2.60 8134	2.75 8135
	19	Factor Code	2.10 8044	2.25 8045	2.60 8144	2.75 8145
	20	Factor Code	2.10 8054	2.25 8055	2.60 8154	2.75 8155
WITH DRIVER TRAINING	17 or Less	Factor Code	1.90 8064	2.05 8065	2.35 8164	2.50 8165
	18	Factor Code	1.90 8074	2.05 8075	2.35 8174	2.50 8175
	19	Factor Code	1.90 8084	2.05 8085	2.35 8184	2.50 8185
	20	Factor Code	1.90 8094	2.05 8095	2.35 8194	2.50 8195
WITH OR WITHOUT DRIVER TRAINING	21 thru 24	Factor Code	1.30 8254	1.45 8255	1.60 8354	1.75 8355
	25 thru 29	Factor Code	CLASSIFY AS ALL OTHER OPERATORS AGE 25-29		1.10 8358	1.25 8359

AGE			UNMARRIED FEMALE – GOOD STUDENT CLASSIFICATIONS			
			Not Owner or Principal Operator		Owner or Principal Operator	
			Pleasure Use Or Farm Use	Drive to Work or Business Use	Pleasure Use or Farm Use	Drive to Work or Business Use
WITHOUT DRIVER TRAINING	17 or Less	Factor Code	1.90 8026	2.05 8027	2.35 8126	2.50 8127
	18	Factor Code	1.90 8036	2.05 8037	2.35 8136	2.50 8137
	19	Factor Code	1.90 8046	2.05 8047	2.35 8146	2.50 8147
	20	Factor Code	1.90 8056	2.05 8057	2.35 8156	2.50 8157
WITH DRIVER TRAINING	17 or Less	Factor Code	1.70 8066	1.85 8067	2.10 8166	2.25 8167
	18	Factor Code	1.70 8076	1.85 8077	2.10 8176	2.25 8177
	19	Factor Code	1.70 8086	1.85 8087	2.10 8186	2.25 8187
	20	Factor Code	1.70 8096	1.85 8097	2.10 8196	2.25 8197
WITH OR WITHOUT DRIVER TRAINING	21 thru 24	Factor Code	1.10 8256	1.25 8257	1.35 8356	1.50 8357

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**YOUTHFUL OPERATOR**

AGE			MARRIED FEMALE			
			Not Eligible for Good Student Credit		Eligible for Good Student Credit	
			Pleasure Use Or Farm Use	Drive to Work or Business Use	Pleasure Use or Farm Use	Drive to Work or Business Use
<b>WITHOUT DRIVER TRAINING</b>	<b>17 or Less</b>	<b>Factor Code</b>	<b>1.30</b> 8804	<b>1.45</b> 8805	<b>1.15</b> 8806	<b>1.30</b> 8807
	<b>18</b>	<b>Factor Code</b>	<b>1.30</b> 8854	<b>1.45</b> 8855	<b>1.15</b> 8856	<b>1.30</b> 8857
	<b>19</b>	<b>Factor Code</b>	<b>1.30</b> 8864	<b>1.45</b> 8865	<b>1.15</b> 8866	<b>1.30</b> 8867
	<b>20</b>	<b>Factor Code</b>	<b>1.30</b> 8874	<b>1.45</b> 8875	<b>1.15</b> 8876	<b>1.30</b> 8877
<b>WITH DRIVER TRAINING</b>	<b>17 or Less</b>	<b>Factor Code</b>	<b>1.15</b> 8884	<b>1.30</b> 8885	<b>1.05</b> 8886	<b>1.20</b> 8887
	<b>18</b>	<b>Factor Code</b>	<b>1.15</b> 8894	<b>1.30</b> 8895	<b>1.05</b> 8896	<b>1.20</b> 8897
	<b>19</b>	<b>Factor Code</b>	<b>1.15</b> 8904	<b>1.30</b> 8905	<b>1.05</b> 8906	<b>1.20</b> 8907
	<b>20</b>	<b>Factor Code</b>	<b>1.15</b> 8914	<b>1.30</b> 8915	<b>1.05</b> 8916	<b>1.20</b> 8917
<b>WITH OR WITHOUT DRIVER TRAINING</b>	<b>21 thru 24</b>	<b>Factor Code</b>	<b>1.15</b> 8664	<b>1.30</b> 8665	<b>1.00</b> 8006	<b>1.15</b> 8007
	<b>25 thru 29</b>		<b>CLASSIFY AS ALL OTHER OPERATORS AGE 25-29</b>			

**B. SECONDARY CLASSICATIONS**

		Sub-Class					
		0	1A	1B	2	3	4
<b>Single Car Risk</b>	<b>Factor Code*</b>	<b>0.00</b> 10	<b>+0.40</b> 11	<b>+0.40</b> 15	<b>+0.90</b> 12	<b>+1.50</b> 13	<b>+2.20</b> 14
<b>Multi-Car Risk</b>	<b>Factor Code*</b>	<b>-0.20</b> 20	<b>0.00</b> 21	<b>0.00</b> 25	<b>+0.25</b> 22	<b>+0.55</b> 23	<b>+0.90</b> 24

\*These two digits are to be appended to the four-digit code corresponding to the Primary Rating Factor to which the Factor in this table is added or subtracted.