

Virginia

Personal Auto Program

Binding Authorities & New Business Underwriting Guidelines

Effective September 1, 2020

The following information is proprietary and is intended for the use of authorized agents and personnel of Rockingham Insurance. Disclosure to unauthorized parties is expressly prohibited.

Rockingham Casualty Company (hereinafter referred to as Rockingham)
Binding & Risk Approval Authority For Agents

Effective Date: This document replaces all previous binding and risk approval authorizations as of **September 1, 2020.**

AGENT BINDING AUTHORITY

Binding Authority (as described below and as shown elsewhere on the Binding Authorities and Underwriting Guidelines for each line of business) is granted to licensed and appointed Rockingham agents (including their producers and customer service representatives when appointed with Rockingham) while performing within the scope and limitations of their Rockingham Agency Contract. Persons with binding authority may place coverage into effect on a temporary basis, not to exceed 60 days unless a formal written extension is obtained. Binding authority is contingent upon and subject to a risk meeting all underwriting eligibility criteria, minimum and maximum coverage limitations, rules and rates contained in filed, approved program manuals and other corporate communications. All applications for coverage and requests for coverage changes are subject to the provisions of the policy forms and endorsements for the type of insurance requested.

If a risk does not meet the established criteria or if a risk exceeds the maximum binding authority for the individual submitting the risk for coverage, then approval must be obtained from an authorized Rockingham employee with authority equal to or exceeding the amount requested and an exception form must be completed *prior* to binding coverage.

The current version of all Binding Authorities and Underwriting Guidelines for Rockingham Agencies may be found under the appropriate folders for each line of business on the Company's Extranet.

MAXIMUM AGENT BINDING AUTHORITY PER RISK

In no event, shall an authorized agent, producer, or customer service representative bind a new risk, reinstate a cancelled risk, or bind additional coverage that, in sum total, exceeds the following maximums unless appropriate exception authority has been granted by a duly authorized Rockingham employee:

- Bodily Injury Liability limits exceeding \$500,000 per Person / \$500,000 per Accident or \$500,000 combined single limit. Property Damage Liability limits exceeding \$500,000.
- Any vehicle with a Highway Loss Data Institute (HLDI) base price of more than \$75,000.

Important Note

- While certain risks may meet all of the published guidelines for eligibility, final approval will reside with the authorized underwriter.
- When an exception is required, the agent or authorized CSR should have first obtained ALL of the information required by the application form.

Application Requirements

- Use of RateRock to generate applications is required. The application must be signed and dated by both the insured and the agent and the original copy retained by the agent.
- Form IL U 056 Virginia Selection of Lower Uninsured Motorists Coverage Limits must be completed, signed by the insured, and retained by the agency for all policies where the Uninsured Motorists limit is lower than that of Bodily Injury and/or Property Damage Liability.
- **The following are required with every new business application:**
 - A premium deposit is required to bind new business.
 - Motor Vehicle Reports for all rated drivers in the household. (See “Driver Requirements” below.)
 - To verify former coverage and qualify for the Continuous Coverage Discount a copy of the most recent personal auto declarations page from the prior carrier, displaying liability limits, vehicles, drivers, and effective dates with an indication of the original policy effective date (or a copy of the original auto insurance declarations) is required.

No documentation of former insurance is necessary if the prior carrier participates in LexisNexis Current Carrier. A listing of participating companies may be found on our *Agent Extranet*.

- The underwriter may require that a current version of ACORD Form 83 Youthful Operator Questionnaire be completed and signed by operators 21 years of age or younger.
- Request for the New Family Discount requires an official document that provides proof of the child’s birth. Example: Birth Certificate.
- Two photos (left front and right rear), taken by agency personnel, are required for the following:
 - Vehicles with existing damage.
 - Pickup trucks or vans with a Gross Vehicle Weight Rating (GVWR) greater than or equal to 12,000 lbs.
 - Customized vehicles. (Photos should clearly detail the customization or modification and be accompanied by a detailed list of the value and/or an appraisal of the equipment.) Modified vehicles require the Customized Equipment Endorsement.
- Stated Amount is required for the following vehicle types. An appraisal is required for amounts over \$25,000.
 - Classic auto (10 or more years old and used on a regular basis where the value is significantly higher than the average value of other autos of the same year and make).
 - Antique auto (25 or more years old and maintained primarily for use in exhibitions, parades, and other functions of public interest).

Underwriting Binding Restrictions

- Agent binding authority for auto physical damage coverage is automatically restricted when a severe weather event threatens to cause loss. For details, see the Underwriting Binding Restrictions document posted on the *Agent Extranet*.

Coverage Requirements

- Prior personal or commercial auto insurance required, in force for at least one year before the effective date, with no lapse in coverage.
- All eligible private passenger autos titled to the Named Insured(s) must be written on the same policy. Vehicles co-owned by a Named Insured and a person who is not a Named Insured may be insured separately, with the Joint Ownership Endorsement added.
- All drivers in the household are required to be listed on the application regardless of license status (including learner’s permit) or other insurance. A licensed spouse of the Named Insured living in the household must be listed as a rated driver on the policy. Drivers (other than a spouse of the Named Insured) who own and primarily operate a vehicle not listed on the application may be listed as non-rated drivers.
- Uninsured Motorists coverage limits may not exceed those for Bodily Injury and Property Damage Liability.
- Requests for the following require prior approval of the underwriter:
 - Extended Non-Owned Coverage
 - Limited Mexico Coverage endorsement
 - Motor home - rental to others endorsement
- Auto loan/lease coverage is available on all leased vehicles. The coverage is also available on non-leased vehicles when the vehicle was provided this coverage by the previous carrier, or if the vehicle has been purchased in the past 30 days.

Driver Requirements

- **Minimum driving experience five years or three years if coming off parents’ Rockingham policy. No minimum if on or being added to parents’ policy.**
- Operators need to be licensed in the state of Virginia within 60 days of policy inception.
- Operators who have held a license in a foreign country (except Canada) must have held a valid U.S. drivers license for the past 3 years or provide official proof of their driving record. (Operators from Canada must present a copy of current Canadian MVR.)
- Operators who in the past five years have had automobile coverage cancelled, declined, or non-renewed, or have been required (or are now required) to file an FR-44 or SR-22 are unacceptable.

- Risks with any operator in the household with a suspended or revoked drivers license due to a moving violation are unacceptable.
- **The following risk characteristics require Underwriter approval before binding:**
 - Any operator that may be away from their vehicle for more than 90 days.
 - Any operator convicted of a felony in the past ten years.

Driving & Loss Record

Unless otherwise noted, this grid reflects events in the three years preceding the effective date of the policy. Driving experience while operating a company vehicle will be considered when applying these guidelines.

Per Operator ≥ 5 yrs. experience	<ul style="list-style-type: none"> • No more than one at-fault accident. • No more than two minor moving violations (no more than one in combination with an at-fault accident).
Per Operator < 5 yrs. experience	<ul style="list-style-type: none"> • No more than one minor moving violation or at-fault accident.
All Operators	<ul style="list-style-type: none"> • No more than one not-at-fault accident. No major violations in the past seven years. No more than one DUI lifetime.
Other than Collision losses	<ul style="list-style-type: none"> • No more paid losses than the number of vehicles insured with comprehensive coverage. No more than three comprehensive losses in total.
Total paid losses in the past 5 years (other than Towing or Rental)	<ul style="list-style-type: none"> • No more than one plus the number of vehicles on the policy; no more than three in total.

- Accidents listed on applications or loss reports will be deemed At Fault unless verification is provided that it is Not At Fault (i.e. Police Report, letter from prior/other involved carrier).

Vehicle Requirements

• **The following Vehicle Characteristics are Unacceptable:**

- Vehicle that does not meet the “PERSONAL AUTO POLICY – ELIGIBILITY” rule (Rule 2, Page G-1, of the Personal Vehicle Manual and Page PV-E-1 of the Virginia Exception Pages).
- Gray market vehicle – a vehicle made to be sold in a country other than the U.S.A.
- Kit car – a vehicle that is available as a set of parts that the buyer either assembles into a car themselves or retains a third party to do part or all of the assembly work on their behalf.
- Replica car – a vehicle that is no longer in production by the original automaker.
- ATV, dune buggy, golf cart, snowmobile, or other vehicle designed for off-road use.
- Motorcycle or other two- or three-wheeled vehicle.
- Trucks equipped with crane, boom, hoist, or man-lift, or for vehicle towing or snowplowing.
- Utility trailer over 26 feet in length.
- Farm use vehicle with a manufacturer's gross vehicle weight rating of more than 26,000 pounds.
- Non-farm use vehicle with a GVWR greater than or equal to 15,000 lbs. This restriction does not apply to Motor Homes.
- Farm use vehicle regularly operated more than 150 miles from the principal garaging address.
- Vehicle that is garaged out of state for three or more months of the year. This restriction does not apply to vehicles used by students away at college.
- Vehicle is not licensed in Virginia or is being operated under a dealer license.
- Emergency use, except use of personal vehicles by fire and rescue workers.
- Racing use, whether for pay or pleasure.
- Car-pooling on a “share the cost” basis, meaning that one person drives and others pay to ride. Note: Car-pooling on a “share the ride” basis, meaning the participants take turns driving, is permitted, provided the driver has at least 3 years driving experience and there are no more than 5 persons in the pool.

○ **Vehicle used:**

- On TNC platforms such as Uber & Lyft unless the TNC Endorsement is added
- In peer to peer carsharing such as Turo
- For passenger or taxi service outside of a TNC platform
- More than one business-rated vehicle per operator.
- Vehicle used in delivery (i.e. pizza, newspaper, products, etc.).
- Business use, if employees operate vehicle.
- Motor home with commuter or business use.
- Trailer used in business (i.e. yard maintenance, landscaping, construction)

• **The following Vehicle Characteristics require Underwriter approval before binding:**

- Motor home with value in excess of \$75,000 or over 25 feet in length if not a replacement. Do not have to refer if length is less than 40 feet and the insurance score is 700 or greater and there is 1 or fewer minor moving violations in the past 3 years.
- Recreational trailer (travel trailer or camper trailer with living/sleeping space) with value in excess of \$25,000 or over 25 feet in length:
 - if not a replacement, or
 - if all operators are under age 30, or
 - if any operator has more than 1 minor moving violation in the past 3 years.
- Truck with utility body including flat bed, rollback, dump body, or dump capability.
- Utility trailer floor length over 16 feet.
- Non-farm use vehicle with a GVWR greater than or equal to 12,000 lbs. and less than 15,000 lbs. This restriction does not apply to Motor Homes.
- Any referral vehicle in the household (see Restricted Vehicle List on the *Agent Extranet*).
- Modified vehicle, including but not limited to the following modifications:
 - Wheel or tire size altered, suspension raised or lowered or otherwise changed
 - Engine or transmission altered for performance
 - Exhaust system altered
 - Exterior sheet metal or trim altered, or non-business signs added
- Vehicle owned by a farm family co-partnership or a farm family corporation.
- Any alternatively garaged vehicle (i.e. Military, vehicle left at a secondary residence, etc.).