

**RLI Home Business Insurance Program:
The Most Asked Processing and Underwriting Questions**

The Home Business Insurance policy was introduced back in 1992. Since that time, the program has been enhanced to respond to 143 eligible business classes. This document will answer some common processing questions to alleviate any confusion on the front end and enable RLI to provide better, quicker service to the administrators.

1. What is the current HBP application number?

RLI form HBP 108 (01/10) is the most current application.

2. What happens when the applicant's business does not fit into one of the Eligible Business Classes?

RLI will not issue the policy. It is important that the eligibility class number matches the business description and the actual business operation conducted from the applicant's residence. Please refer to the HBI Eligible Business Class Descriptions document.

3. Do we have to complete all of the questions on the application?

Yes. The first page asks basic questions about the applicant's business and the desired coverages. The second page, questions 1-17, ask simple yes/no questions to determine eligibility of the business. **ALL QUESTIONS MUST BE ANSWERED IN ORDER FOR THE APPLICATION TO BE PROCESSED.** Common items left blank are the sub-producer number, the administrator number, and the property address. If the applicant is a sole proprietorship, the individual's name is required and all partners' names should be included for partnerships or joint ventures.

4. Is a rate sheet required to process the application?

No. However, a rate sheet is helpful when there is a difference in quoted premium and actual premium. It can be used to cross-check any inconsistencies between the application and the coverages requested. If an application comes in and there is a discrepancy in the premium, a phone call must be made to the administrator to determine if the policy is still desired. Because this is an agency billed item, it is important that the processed premium and the quoted premium are the same.

5. Will RLI accept applications that have YES answers to questions 1-17?

No. If ANY question 1-16 is answered YES, the applicant is not eligible for coverage and the application should not be submitted to RLI. Question 17 may be answered yes, but the license, jurisdiction, and category section must be completed and then approved by underwriting. Questions on the application can not be altered in any way. **THE APPLICATION WILL NOT BE ACCEPTED WITHOUT APPLICANT'S SIGNATURE.**

6. What does RLI do when notified of an address change?

A supplemental application will be forwarded to the insured (with a copy to the administrator) which needs to be completed when an insured moves from one location to another. A new application is not necessary if it is just a mailing change. Renewal requests with a changed address are not acceptable without a new application.

7. **What does RLI do when business is received directly from an agent (not through an administrator)?**

All business should be submitted through an appointed RLI administrator. If business comes in directly from an agent, RLI must determine what administrator the business should be routed through. Additionally, if money is not submitted with the application, RLI does not know if the administrator wants the policy to be issued or if confirmation that the administrator has the money is necessary because the policy is agency billed. Therefore, it is critical that the business come from the administrator.

8. **Will RLI accept a faxed application?**

Yes, however, original applications are preferred to avoid errors caused by the inability to read the document and duplicate requests from previously faxed items.

9. **What effective dates are used when issuing the policy?**

RLI will issue the Home Business Insurance policy using the requested effective date if it falls within the permitted time frame of 13 days of receipt. If not within the permitted time frame, the "received" date should be used. Therefore, it is critical that you **date stamp all applications** to reflect the date the application was received by your office.

10. **Is it necessary to add the spouse for them to be covered as an insured?**

Not necessarily. If the business is an individual, partnership or joint venture, the spouse is automatically covered. For the definition of "Who is an insured?" refer to the Business Owners Liability Coverage Form: FL, LA & VA please refer to page 38 of 47 of the Business Owners Liability Coverage Form (BP 00 03 01 06); AR, HI, IL, MD, MS, NY, RI, TX & VT please refer to page 40 of 49 of the Business Owners Liability Coverage Form (BP 00 03 01 10); and in all other states please refer to page 47 of 57 of the Business Owners Liability Coverage Form (BP 00 03 07 13).

11. **When can an additional insured be added?**

RLI will **ONLY** issue an Additional Insured endorsement when their interest is specified as one of the endorsements listed on the application. Be sure to include their complete name and address. It is important to determine if an additional insured endorsement is really necessary. The requested additional insured could be the spouse. In many cases, they are already covered (see question 10). A Certificate of Insurance in lieu of an Additional Insured endorsement may satisfy the customer when the entity that is asking to be listed as Additional Insured does not have an insurable interest in the insured's business. If the Additional Insured does not fit into one of the specified endorsements, **DO NOT** submit the application. Please refer to page two of the application for the Additional Insured endorsements which can be used with the RLI In-Home Business Policy.

12. **What is the difference in coverages provided by the Business Personal Property (BPP) vs. the Electronic Data Processing (EDP) Endorsement?**

Please consult your educational department or your national IIABA office for a comparison of these standard industry forms.

13. **What is the difference between the Off-Premises Business Personal Property (BPP) and the On-Premises Business Personal Property (BPP) limit?**

The On-premises and Off-premises BPP limit are equal.