

Florida
Auto
Joint
Underwriting
Association

Florida Automobile Joint Underwriting Association
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Lisa Stoutamire – General Manager
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January 13, 2014

TO: FAJUA Contracted Producers

FROM: FAJUA Management

RE: Public Transportation Classes
Revision to Underwriting

- (1) Florida Statute 320.01 (15) (a) & (b)
- (2) Florida Statute 316.72
- (3) FAJUA Rule 22. A. 7. Increased Limits for Bodily Injury and Property Damage Liability and Combined Single Limits of Liability. 7. for vehicles defined as "School Buses"
- (4) FAJUA Rule 53 (c) Public Auto Classifications

Beginning immediately all risks transporting passengers particularly those risks claiming to transport only school children will be written based on Florida Statutes and FAJUA Rules and guidelines.

The FAJUA has observed vehicles that are being used for other transportation purposes while being submitted as "School Buses". These buses have a much greater exposure than the vehicles that are "School Buses".

Producers are advised to review the above cited Florida Statutes that can be found at My Florida.com and the FAJUA Rules that can be found at AIPSO.com in the FAJUA Manual of Underwriting Rules and Rates.

After consulting the Florida Statutes and FAJUA Rules should you have any questions please send them to FAJUAHELP@FAJUA.org. The FAJUA will endeavor to respond to all questions within 72 hours of the close of business on the date of receipt. Questions and response will be posted on FAJUA.org. This will be the only response available. Individual responses will not be made.

Questions regarding individual risks may take up to 15 business days for research and response.

Response to verbal questions will not be made. Please submit all questions via email.

“For Hire Bus”

The FAJUA is available for those vehicles described in 320.01 (15) (a) and will be classified as “Urban Buses” subject to seating capacity factors, applicable rate charged will be based on owner and operators MVRs and other data obtained by the FAJUA. Lay up credit may be afforded during the term when the vehicle is not in use for any purpose and may be available when the application is accompanied by a color photo of the back of the bus and is in compliance with 316.72. Photos of the side of the bus are also required. When lay up credit is provided the limits of liability will be equal to \$5,000.00 per seat.

Advise your client that there is no coverage during the term of the layup.

Buses without color photos will be issued without layup credits and limited to liability at the maximum available from the FAJUA.

Failure to provide proper documents when the application is submitted will result in the risk being classified as an “Urban Bus” with no lay up credit and will be cancelled for exceeding binding authority if limits are in excess of Rule 22 maximum available limits. Maximum limits available are \$100,000/\$300,000/\$50,000 split limits or \$300,000 combined single limit.

“School Buses”

Vehicles described in 320.01 (15) (b) and under contract with School Districts/Board will be classified as “School Buses” subject to seating capacity factors, applicable rate charges based on owner and operator MVRs and other data that may be obtained by the FAJUA. Lay up for school term is available. Copy of the contract with the school district/board and school calendar are required to be submitted with the application.

Failure to submit the contract will result in the vehicle being classed as an “Urban Bus” with no layup credit. Should the limits exceed the maximum in Rule 22 the policy will be cancelled.

Classifications, rating factors and rates are found in Chapter 4 of the FAJUA Underwriting Rules and Rates Manual.

If the contract is not submitted for the risks with the application the policy will be issued with the “Urban Bus” classification and utilizing “Other Buses Subject to No Fault Law rates”.

Buses/Vans that meet the safety features and other criteria that defines a “School Bus” may be submitted unbound on an individual basis at least 45 days prior to the proposed inception date for approval prior to binding. Any

submission with out the required documents will not receive a response. Do not send premium.

Producers who bind coverage(s) beyond the FAJUA guidelines or bind vehicles that do not qualify will be subject to termination.

Applications with handwritten information will result in the termination of the producer per Producer Bulletin 2013- 7 issued December 6, 2013.

“Renewals”

Current policies with liability limits in excess of the FAJUA Maximum limits will be non renewed. Should you wish to rewrite these risks, please follow above guidelines.

Vehicles with coverage at the Maximum Limits or less will receive a renewal quote using the “Urban Bus” class and will not include layup credit. Credit may be added by endorsement when color photos are received with the school calendar and applicable contract. ee above for information on the required photos.