

December 2002

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Dear Personal Lines Staff:

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RLI continues to be a leading niche provider of unsupported personal umbrella coverage. Effective 3/1/03 for new business and 5/1/03 for renewals, we are pleased to announce new policy provisions which offer a more competitive product. With this revision, there are a number of changes outlined in the memo attached, one of which is the omission of the aggregate limit from the contract. Effective 3/1/03, UM/UIM is being introduced in the state of Alaska. At the same time in the states of Indiana, Louisiana and Florida, the maximum UM/UIM limit available will be \$1 million. Underlying limits requirements with regards to household employees in New York have been revised. Please take a minute to review the attached information for a comprehensive overview of the changes.

1. PUP548 (02/02)** Policyholder Notice. This form outlines the specific areas of change to the provisions and will be mailed out with all RLI Personal Umbrella renewals for 1 year. Please familiarize yourself with the changes.
2. PUP 320 (02/02)** Policy Provisions. The Policyholder Notice summarizes the changes; however, please note the following areas of change:
 - a. Elimination of the Aggregate Limit.
 - b. Watercraft definition and Exclusion U. included with the provisions and removed from each State Amendatory Endorsement.
 - c. Late Notice addressed under PART III – What We Will Do, C. 7.
 - d. Changed the language within Exclusion G to strengthen the intent of the coverage wherein suit is brought against an insured on behalf of another insured and with regards to passenger liability.
 - e. Added Condition B, “Our Right to Recover Payment”, under PART VII – Other Conditions.
 - f. Revised “Other Insurance” condition such that RLI is specifically excess of other collectible insurance.

**Please note that in Louisiana and Massachusetts, state-specific Policy Provisions and Policyholder Notices were developed: PUP 320LA (02/02) and PUP 548LA (02/02) and PUP 320MA (02/02) and PUP548MA (02/02).

3. State Specific Amendatory Endorsements. These forms revise the provisions to make them compliant to any particular state statutes.
4. PUP 276 (08/02). New Business Application **MANDATORY** for submissions in Alaska and New York effective 3/1/03 and after.
5. Rate sheets for your marketing area. Rates have been updated only in the states of Alaska, Florida, Indiana and Louisiana due to changes in UM/UIM. Rates in all other states have not changed and should reflect a 2002 effective date. Additional state rate sheets can be obtained from your Program Administrator or from our website at rlicorp.com-PRODUCTS

The declarations page (which is not attached to this memo) has also been revised and will no longer reflect the aggregate limit. It will show the administrator information where it is currently, but the subproducer number and name will be directly below it. The split limit of \$250/\$500/\$100 will be included under the Watercraft section on the backside of the declarations page.

If additional supplies are needed, please contact your Program Administrator.