Agency Binding Authority / Underwriting of Recreational Vehicles

In December 2014, Frankenmuth Insurance posted the latest Agency Binding Authority guidelines. We want to make our agents aware of two revisions that have recently been made to these guidelines:

- Trail Bikes have been added to the Recreational Vehicle section. Please call your respective PL Underwriter prior to binding coverage on these units.
- Homeowner Coverage “E” agency authority has been increased to $1,000,000.

Below is a link to the revised Agency Binding Authority guidelines. You can also find the guidelines within the iBIS Resources tab under the Binding Authority option. Once you are on the Binding Authority Landing page, you can select the appropriate document for Michigan or Ohio based on your state licensing.

https://www.fmins.com/agpages/publicdocs/AgencyBindingAuthority2014Revised.pdf

The first revision can be found on page 2 of the Agency Binding Authority guidelines in a section titled, “Recreational Vehicles.” Please note that agencies do not have binding authority of any recreational vehicles (ATV’s, snowmobiles, etc.) over 700 cc’s, and we ask that you contact your personal lines underwriter prior to binding coverage on these units. Your underwriter will research the unit, determine if it is acceptable, and provide you the information you need to properly price this exposure.

In the 3rd quarter of this year, we will begin a reunderwriting program of all high-performance (over 700 cc’s) recreational vehicles due to the severity of loss exposure these units present. Longevity and loss experience of the account, performance of the unit, and operator experience will all be taken into account. The personal lines underwriting staff will work closely with you on any exposures that could present a future problem.

We appreciate your cooperation with the Agency Binding Authority guidelines. If you have any questions, please contact your personal lines field manager, underwriter, or me.

Thank you for placing your business with Frankenmuth Insurance.