

LANCER INSURANCE CO UNDERWRITING GUIDELINES

DRIVER REQUIREMENTS

The most important component in the underwriting of truckers is good driver selection. Drivers who have demonstrated their ability to handle their equipment in a safe manner are Lancer's targets. Verifiable experience and above average driving records are critical. Young operators, under 25 years of age, are written only as part of a fleet operation.

Motor Vehicle Records (MVR's)

Current MVR's (less than 60 days old) are required on all driver and named insureds and should be obtained prior to binding coverage. **Lancer requires MVR's on all named insureds regardless of their driving status on the policy.**

DRIVER REQUIREMENTS

1. Each driver should have a minimum of two years driving experience operating the same weight class vehicle as the one to be insured and operated over similar type routes.
2. A driver's record should not exceed the following, regardless of the type of vehicle in which the violation was received:
 - *a. One at fault accident and one not at fault accident in the past 36 months. An accident is counted as a moving violation
 - b. **Four (4)** moving violations in the past 36 months and no more than 2 in the past 12 months. All accidents are to be counted toward the total of moving violations.
 - c. No more than a total of **four (4)** non-moving violations on an individual MVR in the past 36 months. (FTA's, overweights, seat belts, brake, equipment, log book, etc.)
 - d. Of the **four (4)** non-moving convictions per Motor Vehicle Record (MVR), no more than three (3) can be a combination of equipment or brake related in the past 36 months.

*Any claim reported as "**not at fault**" must be supported by a copy of the police report or loss run. No consideration will be given to the application if not accompanied by this information.

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3. Each driver must have:
- a. Valid license credentials sufficient to permit the operation of the insured vehicle.

Listed below are the main types of licenses available:

Class A- Tractor

Class B- 10 Wheel dump or any truck with two rear axles, neither of which pulls trailers.

- b. All out of state drivers must be licensed in their residence state only.
(Intermediate & Long Haul Only)
- c. Driver with less than 24 months of driving experience within proper class of Commercial Drivers License must be submitted for prior approval.
- d. Full license privileges. Instructional permits are not acceptable. Any restricted license must have a complete explanation of the restriction with the MVR.
- e. No driver shall currently be on probation, suspension, or revocation. If the driver has been on probation, suspension, or had his/her license revoked in the past 36 months for any reason, a full explanation must accompany the MVR.
- f. We will not make an SR1-P or SR22 (Proof of Financial Responsibility) filings.

UNACCEPTABLE DRIVER RISKS

A driver is not acceptable if any of the following entries appear on the individual's Motor Vehicle Record:

- **Three (3) accidents** regardless of fault within the past 36 months;
- Any driver with more than one speeding conviction of 15-25 MPH over the posted speed limit in the past 36 Months.
- Any Conviction relating to removing, altering or defacing vehicle or component ID numbers. Also, any conviction relating to knowingly buying, selling, or possessing a vehicle with such numbers removed, altered or defaced.
- Conviction of driving while suspended, revoked or disqualified due to violations in the last 36 months.
- Habitual Violators; defined as having more than eight (8) moving violations in the past 5 years or multiple suspensions for points or major violations.
- License suspension for points or major violation within the past 36 months.
- Current restrictions on driving privileges. For example, driving privileges limited to driving while at work or to and from work in a personal auto.
- Open container violation.
- More than one (1) major violation in the past 10 years.

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- Any driver with any speeding convictions **over 25 MPH** over the posted speed limit in the past 36 months.
- Any accident involving hit-and-run within the past 36 months.
- Any conviction of reckless driving, speed contest, exhibition speed contest or racing within the past 36 months.
- Any conviction of driving under the influence of alcohol or drugs in a personal vehicle within the past **6 years**.
- **Any** conviction of driving under the influence of alcohol or drugs in a commercial vehicle.
- Any conviction for fleeing or eluding arrest.
- Any conviction of vehicular manslaughter or negligent homicide.
- Any felony involving a motor vehicle.

PHYSICAL REQUIREMENTS

In accordance with the Federal Motor Carrier Safety regulations, drivers with a physical impairment must be qualified to operate the insured vehicle. In those instances in which we are insuring a driver with a physical impairment, Lancer requires a "Waiver of Physical Impairment Disability" issued by the Department of Transportation, confirming that they are approved to operate a commercial vehicle.

NEW DRIVERS

Historically, unreported drivers have been involved in a significant number of accidents, often resulting in severe injuries and/or fatalities. We require all newly hired drivers to be promptly reported to Lancer. Mid-term driver additions must be reviewed for acceptability and for any impact such drivers may have on the degree of risk assumed by the company.

YOUTHFUL OPERATORS (Fleet accounts only) 10 Tractors

Youthful operators (under the age of 25) are written only as part of a fleet of 10 or more units. Consequently, the following restrictions (in addition to those listed above) apply to any drivers under 25 years of age.

- a. No accidents in the past 36 months, regardless of fault
- b. No more than two (2) moving violations in the past 36 months and not more than one (1) in the past 12 months.
- c. No more than three (3) non-moving violations in the past 36 months. Of these, no more than two (2) violations can be related to equipment or brakes.

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DRIVER HIRING PRACTICES

Driver hiring decisions are the exclusive domain of the insured; neither Lancer nor its producers should become involved in any driver hiring decisions. As underwriters, our need is to understand how the insured will make those decisions. Therefore, to be insured with Lancer, truckers should have written driver-hiring practices in place. If the prospective insured's hiring practices are less restrictive than the Lancer guidelines, we should decline to insure the account.

Mid-term hiring of a driver whose qualifications do not meet the insured's driver hiring standards substantially increases the risk the insurance company assumes and may jeopardize coverage. In states where mid-term cancellations are allowed, it may result in immediate cancellation of the insurance policy.