



Commercial Auto Liability Large Deductible

Fundamental Underwriters (FUW) offers
auto liability deductibles ranging from \$50,000 to \$1,000,000

TARGET

- Risks that have a sophisticated risk management program
- Minimum fleet size of 150 power units

DETAILS

- Auto liability deductibles apply on a per-occurrence basis
- The policy is written on a composite rate basis
- Two allocated loss adjustment expenses (ALAE) options offered:
 - Eroding (Form ACA 00 41 02 21)**
 - Includes ALAE within the deductible
 - Policyholders reimburse expense/defense costs upfront in addition to any indemnity payments made
 - Non-Eroding (Form ACA 00 42 02 21)**
 - ALAE is handled in the same way as a guaranteed cost policy
 - Form only includes amounts FUW pays as damages (indemnity payments) within the deductible
 - ALAE amounts FUW covers are payable by FUW and do not fall within the deductible
- Flexible collateral options are available – cash collateral trust or letter of credit (step-up options are available for both)
- Loss payment fund is collected at inception – typically set at two times of the expected monthly paid loss/expense billings
- Paid losses/expenses
 - Billed and collected monthly – policyholder is provided a monthly report showing the number of payments made during the month from the loss payment fund
 - Reimbursed by the policyholder which replenish the loss payment fund — surplus lines taxes, surcharges and fees are billed at inception
- Claim fees and services are bundled (TPA cannot be used)
- Loss control services are included – a dedicated loss control consultant will be assigned
- Similar submission requirements as our guaranteed cost option

For additional information, please visit <https://www.fundamentaluw.com/products/commercialtrucking/>.

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