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### I. Definitions

Within the Farm Liability Coverage Form (AL 74 03), recreational vehicle as a category does not have an explicit, single definition. Within the re-write of the Farm Liability coverage form, “Mobile Equipment” definition has been broadened to state that ATV’s, dirt bikes and snow mobiles are covered as mobile equipment whether on or off premises as long as they are being used for “farming” purposes.

### II. Types

#### A. Regulated Vehicles

***ATVs/ROVs/NEVs produced by a manufacturer and identified in one of the Motorcycle Appraisal Guides, e.g. Kelley Blue Book Utility Vehicle page.***

**1. All-Terrain Vehicle (ATV)** - “An all-terrain vehicle is defined as a motorized off-highway vehicle designed to travel on four low-pressure tires, having a seat designed to be straddled by the operator and handlebars for steering control. ATVs are subdivided into two types as designated by the manufacturer. Type I ATVs are intended by the manufacturer for use by a single operator and no passenger. Type II ATVs are intended by the manufacturer for use by an operator and a passenger, and are equipped with a designated seating position behind the operator.”\*

Note – Three-wheel ATVs should be uncommon. The Consumer Product Safety Commission banned the sale of 3-wheel ATVs in 1987. Despite the ban on their sale, they do still exist. We are not a market for three-wheel ATVs.

**a. Sport ATVs** – “Sport models are built for high-performance, recreation and competition. They are the lightest machines and often feature cutting-edge technology. They have two-stroke or four-stroke engines and can have either five or six gears often with a manual clutch. Most sport models come equipped with reverse. The gear ratios tend to be biased for quick acceleration, and they tend to have higher-revving engines.”\*



**Two examples of Sport ATVs.** Notice the wider “stance” of the wheels designed to provide more lateral stability during aggressive off-road use.



## REWRITE - Recreational/Off Road Vehicle Guidelines

**b. Utility ATVs** – “Designed primarily for work purposes, utility ATVs can also be used for recreational trail riding during their "time off." They are the largest and most rugged type of ATV. Utility ATVs typically have larger tires, stiffer suspension, full skid plates, large cargo racks, provisions for adding a tow hitch and large four-stroke engines. They are usually equipped with a low-maintenance driveshaft, rather than the chain and sprocket system used on sport ATVs.”\*



Three examples of Utility ATVs. Unlike ROVs, these are still designed to be “ridden” not “driven.”



\*Specialty Vehicle Institute of America (SVIA) definitions

**2. Recreational Off-Highway vehicle (ROV)** – Have a steering wheel, acceleration foot pedal and a brake foot pedal and are “driven.” Generally has seats situated side-by-side or a bench seat and equipped with operator and passenger belts. They frequently have a roll-over protective structure, side-retention features (hard plastic doors or sturdy canvas netting) and handholds. Sometimes referred to as “side-by-sides”, two of the most popular trade names are the John Deere “Gator” & the Kawasaki “Mule.”



Notice that all three examples have side-by-side seating and steering wheels and give the appearance of a cross between a golf-cart and an ATV.



**3. Neighborhood Electric Vehicles (NEV)** -- A Neighborhood Electric Vehicle (NEV) is a battery electric vehicle that is legally limited to roads with posted speed limits as high as 45 mph depending on the particular laws of the state, usually are built to have a top speed of 25 mph, and have a maximum loaded weight of 3,000 lb. NEVs fall under the United States Department of Transportation classification for low-speed vehicles. The federal government allows state and local governments to add additional safety requirements, and so state-by-state regulations will vary, e.g. the State of New York requires additional safety equipment to include windshield wipers, window defroster, speedometer, odometer and a back-up light. Generally, NEVs must be titled and registered, and the driver must be licensed. Because airbags are not required, the NEV cannot normally travel on highways or freeways.



The GEM (pictured at left) is one of the more popular NEVs in the United States.

### B. Unregulated Recreational Vehicles

*ATVs/ROVs/NEVs which are NOT produced by a manufacturer and identified in one of the Motorcycle Appraisal Guides, e.g. [Kelley Blue Book Utility Vehicle page](#). This includes “custom” vehicles built from parts of other vehicles, or motor vehicles modified for off-road use, etc. These can be dune buggies, quail rigs, hunting rigs, hog rigs, etc.*



### III. Underwriting Guidelines & Coverages

#### A. Eligible vehicles

- Four- to eight-wheel ATVs & ROVs produced by a manufacturer identified in a common appraisal guide.
- Unlicensed NEVs & Golf Carts produced by a manufacturer identified in a common appraisal guide.
- Snowmobiles

**Referral required:** Two- and three-wheeled vehicles; unregulated recreational vehicles including unlicensed dune buggies, homemade or assembled vehicles, modified/customized vehicles, hunting rigs, quail rigs, hog rigs, etc.

**Ineligible vehicles:** Vehicles subject to local motor vehicle registration laws, three-wheel ATVs, customized vehicles with scissor lifts.

### **B. Ineligible Operators**

- Operators under age 16
- Operators 16 or older who do not have a valid US driver's license or whose license is suspended, cancelled or revoked.
- Operators with
  - i. One or more Type A violations in preceding 36 mos.
  - ii. Two or more Type B violations in preceding 36 mos.
  - iii. Three or more Type C violations in preceding 36 mos.
  - iv. One Type B violation and two Type C violations in preceding 36 mos.

### **C. Expected Use**

- In our program, we prefer to see utility ATVs and ROVs as they are more directly connected to farm usage. Consequently, UWs should seek to limit our exposure to sport ATVs. As it is not uncommon for farm risks to have several recreational vehicles, UWs should examine the make, model, engine displacement, likely ages of operators and the extent to which visitors to the farm may have opportunities to operate vehicles or be passengers on or within them.
  - i. Engine displacement can be an indication of use. Low "cc" engines – where the cc's are less than 150, often indicate that the machine in question is designed for children and are often referred to as "youth" models. These should be avoided. Unfortunately, higher cc engines are not a good indication of sport vs utility use.
  - ii. Almost all manufacturers build sport & utility models. The utility models will typically have names more in keeping with their intended use, e.g. the Kawasaki "Brute Force", Can-Am "Outlander", Honda "FourTrax Rincon", Yamaha "Grizzly", etc.
  - iii. Sport models often have model names that emphasize trail prowess, e.g. Yamaha "Raptor", Suzuki "QuadSport", Polaris "Scrambler", Can-Am "Renegade", etc. Avoid sport model ATVs.

### **D. Prohibited activities**

- Our forms prohibit recreational vehicles...
  - i. "being operated in, or in practice for, any pre-arranged or organized race, speed, contest or other competition, or in practice or preparation for any such contest or activity."
  - ii. "subject to the Motor Vehicle Registration Act."
  - iii. "used to carry persons for a charge" or likely to be "rented to others."

## REWRITE - Recreational/Off Road Vehicle Guidelines

### **California (only):**

As of January, 2018, Underwriters writing California risks may include Rec Vehicles in the Coverage F blanket limit. Attach **AP 8873 Blanket Recreational Vehicle Coverage** to remove the blanket exclusion and be sure to include the values of the Rec Vehicles in the Coverage F limit.

- Liability coverage
  1. **AL 74 03** provides on and off premises coverage for ATVs used in conjunction with the insured's farming operations. This change has been made through the definition of "Mobile Equipment." This definition has been broadened to state that ATV's, dirt bikes and snow mobiles are covered as mobile equipment whether on or off premises as long as they are being used for "farming" purposes. If we know of the presence of a three-wheeled ATV, we should decline to offer coverage.
  2. **AL 7405** provides personal liability coverage for ATVs not used in farming operations off premises locations. These ATV's must be expressly scheduled on the form. This provides coverage for personal use of ATVs, i.e. trail riding, etc.

### **California (only):**

As of January, 2018 in California, if a risk has four or more Rec Vehicles, the underwriter may attach **AL 7612 Off-premises Recreation Vehicle Coverage** which allows the Underwriter to make a blanket liability charge without having to schedule each recreational vehicle. See the California rate changes for applicable rate.

## **F. Recreational Vehicles Subject to Motor Vehicle Registration or Financial Responsibility Laws**

Acceptable recreational vehicles subject to Motor Vehicle registration laws can be listed on the insured's Commercial Auto policy.

- If Symbol 1 is used, coverage is likely automatically provided in a state where ATVs are subject to Motor Vehicle registration and/or Financial Responsibility statutes. UWs should always inquire as to the presence of ATVs if writing a Commercial Auto policy in a state where ATVs are subject to Motor Vehicle registration and/or Financial Responsibility statutes.
- Where Symbols 7, 8, & 9 are used, Symbol 19 (mobile equipment subject to motor vehicle insurance laws) can be used to cover ATVs.
- No matter the symbol used, for ATVs scheduled on the auto policy, use class code 7993. In New York, class code 7953 is also available.

### **IV. State Rec Vehicle Guidelines** – Brief summaries of ATV/ROV requirements by state.

This is given solely as a reference.

- UWs are responsible for knowing the current requirements in their respective states.

[All-Terrain Vehicle Association](#) (in conjunction with the American Motorcyclists Association)

[Specialty Vehicle Institute of America](#)

### **V. Industry and Government Links**

**Consumer Product Safety Commission** –

[Recreational Off-Highway Vehicle \(ROV\) Death and Non-NEISS Injury Database](#)

[Proposed regulations for ROVs](#)

[Specialty Vehicle Institute of America](#) (SVIA)

[All-Terrain Vehicle Association](#) (ATVA)