

AMERICAN ASSOCIATION OF INSURANCE SERVICES COMMERCIAL INLAND MARINE

STATE EXCEPTIONS - NEBRASKA

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INTRODUCTION

Enclosed within are the rules that apply to the Inland Marine Classes. The rules, rates, forms and endorsements in effect for the Company apply in cases not provided herein.

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General Rule 1.2 is replaced by the following:

1.2 Large Schedules

If a coverage requires a schedule of items and the number of items to be listed would require several pages, the policy must still be issued with that schedule attached. The schedule should be signed, dated, and a limit shown for each listed item.

General Rule 2.1 is replaced by the following:

2.1 Policy Period

Show the inception and expiration date and time on the declarations. Policies must be issued with a time of inception of 12:01 AM.

General Rule 2.6 is replaced by the following:

2.6 Renewal Certificates

Subject to the eligibility of the covered property, a policy may be renewed using a renewal certificate. The renewal certificate must contain all information necessary for rating the policy. The policy must conform in every respect to the rules, rating information, forms, and endorsements in effect at the time of renewal. Requirements for completed applications or reports are not waived by this rule.

General Rule 3.1 is replaced by the following:

3.1 Increased Premium

A policy can be issued at a premium higher than that produced by the rating information pages of this manual, if it would not otherwise be issued. The insured must agree to any premium increases in writing. Companies must comply with the Nebraska Department of Insurance Consent To Rate procedures when issuing a policy with an increased premium.

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General Rule 3.2 is replaced by the following:

3.2 Additional Premium Changes

Use the rules and rating information in effect on the effective date of the policy when calculating the additional premium when:

Changing an existing exposure;

Adding a new exposure; or

Changing a new exposure.

Any additional premium developed for changes made after the policy is issued applies in addition to any applicable policy writing minimum premium that may have applied at policy inception. If the minimum premium in effect at the policy inception is enough to cover the addition or change, then no additional premium should be charged.

Calculate additional premiums on a pro rata basis.

Individual Risk Premium Modifications

A Commercial Inland Marine Individual Risk Premium Modification plan does not apply in Nebraska. However, Nebraska law provides a plan for the application of discretionary rating factors. Companies are allowed to apply credits or debits up to plus (+) or minus (-) 40% to modify the Commercial Inland Marine Premium.

Any characteristic or activity of the risk can be used to determine the credit or debit; except that involving race, creed, national origin, or religion of the insured, or known spousal abuse that would violate the "Unfair Discrimination Against Subjects of Abuse in Insurance Act". In addition, no documentation of these factors is required.