

Lexington Program Division 66

NON -ADMITTED ADDENDUM #1

ADDENDUM DATE: 12/1/13 & various as noted below

PROGRAM: HUMAN SERVICES AND SOCIAL SERVICES

PROGRAM ADMINISTRATOR: SPECIALTY SOLUTIONS GROUP, INC.

This Addendum outlines updates and / or changes to your Underwriting Guidelines, effective at the ADDENDUM DATE, and continuing until otherwise superseded by revised guidelines or a future addendum.

AMENDMENTS TO GUIDELINES (as follows):

No changes to guidelines dated 2008; except as noted below.

Referrals: (Eff 1/1/2013)

- Adoption – Annual referral required.
- Foster Care – Annual referral required.

**HUMAN AND SOCIAL SERVICES
LOSS CONTROL GUIDELINES
(Eff 12/1/13)**

Loss control surveys are provided by Lexington Programs and their approved subcontractors. The purpose of the surveys is to verify information obtained on the application, improve/enhance the insured's risk management program and to identify "exceptions" or critical information requiring the underwriter's review.

The following guidelines have been developed to ensure consistency in the utilization of loss control throughout the underwriting of Lexington Program Division accounts.

Specific Requirements:

- I. The Program Administrator should request a social service telephone survey within seven (7) days of the effective date on all new business if any of the following applies:
 - ✓ Total combined premium is between \$25,000 and \$75,000
 - ✓ At the discretion of the underwriter, a telephone survey may be requested on accounts with a premium below \$25,000.
- II. The Program Administrator should request a social service physical survey on all new business if any of the following applies:
 - ✓ Total combined premium is \$75,000 or greater.

- ✓ Property TIV \$2,000,000 or greater amount subject any one location. For accounts with multiple buildings/locations, a plan should be developed to complete location surveys within three years. The plan should be developed in conjunction with the Program Manager.
 - ✓ The underwriter has special instructions or questions that are best addressed with a physical survey.
 - ✓ At the discretion of the underwriter; a physical survey may be requested regardless of premium size. Examples are higher risk exposures such as daycare and troubled youth residential facilities.
- III. The Program Administrator should request a consultative service if any of the following applies:
- ✓ For accounts with total combined premium \$200,000 or greater (this is in addition to the social service physical survey. Both the consultative service and social service survey should be assigned to the same consultant).
 - ✓ For foster care accounts, a Praesidium consultative foster care phone survey should be ordered regardless of premium size.
 - ✓ For renewal business: as necessary for accounts with a total combined premium between \$25,000 and \$200,000. The determination for a telephone or physical consultative service is based on the criteria listed in I and II.
- IV. The Home Office Loss Control Staff may order a consultation service if a social service basic survey identifies risk management concerns that may require additional follow up or if there is an opportunity to provide further support.
- V. The Program Administrator should review the survey report and recommendations (if any) within seven (7) calendar days of receipt. The underwriting file should reflect the review, the date the review was conducted, and any underwriting actions that may be necessary as a result of such review.
- VI. Programs Home Office Loss Control is responsible for distributing to the insured and agent the survey letter and recommendations, and for requesting a response to *essential* recommendations (if any) within 14 days.
- VII. The Programs Home Office Loss Control is responsible for following up on *Essential* recommendations and for notifying underwriting of the compliance status.

Essential Recommendation Follow-up Procedure:

- 1st. At day 30, Programs Loss Control submits a follow up recommendation letter and contacts the insured by phone or email to request a response and offer assistance.
- 2nd. At day 45, Programs Loss Control contacts the broker/retail agent by phone or email to request assistance.
- 3rd. At day 60, Programs Loss Control contacts the insured by phone to obtain a response and offer support. The broker/retail agent is contacted by phone to request assistance. Underwriter is notified that no response has been received.
- 4th. At day 90, Programs Loss Control contacts the Program Manager by email to notify them that no response has been received.
- 5th. At day 120, Programs Loss Control contacts the Program Manager by phone to request advice whether or not to close out as Not Complied.

VIII. The Program Administrator is responsible for responding to requests for assistance in gaining compliance with essential recommendations.

ACKNOWLEDGEMENT AND ACCEPTANCE

This Underwriting Guideline Addendum and the authority granted within attaches to the most current document outlining underwriting requirements and authority. Only the terms of this written statement apply to the conduct of your underwriting responsibility. Verbal expressions of underwriting authority do not alter the terms of this Statement.

I acknowledge and accept the terms and conditions set forth in this Statement.

Acknowledged By: Bobbie Condell, Program Manager

Name of Recipient/Designee

Signature of Recipient/Designee

Date

Delegated By: Adam Yasan, Product Line Manager

Name of Grantor



Signature and Title

12/13/2013

Date