The Umbrella Rater is programmed with the most recent state rating plans that we use in Division 66 for both Standard Umbrella form 57697 and Umbrella Prime form 80517. A copy of the Umbrella Rater must be saved in each underwriting file, because it shows the rates applied and it includes the schedule (flex) rating worksheet. Refer to Umbrella Qwik Notes 2015 and your Program Authority statements for your umbrella authority.

Rows 5-20
Input the information for the applicable umbrella policy. The following fields are dropdowns in Column D:
Row 7   New/Renewal
Roc 10   State
Row 13 Primary GL Limits
Row 14 Primary AL Limits
Row 18 Umbrella Limit

Once the umbrella rater is completed, the umbrella premium including TRIA appears in Row 19. TRIA cannot be excluded from the umbrella.

Rows 21-37 Only complete this section if the scheduled GL policy is not in Cover-All.
This section is for the primary GL exposures. The information in this section is for informational purposes only and it is not used by the rater for any calculations.

$1M P CALCULATION
General Liability
> **Rows 40-54**
> This section calculates the 1st $1MM umbrella premium from the primary GL policy.
> Enter the GL premium including TRIA in Row 42. Rows 43-47 are used to exclude premiums shown in Row 42 that do not apply to the umbrella pricing. Enter the TRIA premium is Row 43, because TRIA premium is not used when calculating the umbrella premium. You are not required to enter any premiums in Rows 44-47, because you can exclude those premiums in the premium that you enter in Row 42.
>
> In Row 49 select Premises/Operations or Prod/Completed Ops based on whichever an umbrella loss is most likely to be.
>
> Row 52 has the modification factor. Some states are "flat rate states" so you can only use the rate indicated. For most states there is a range and you should select a range which reflects the exposure. For accounts with low exposures select a percentage from the minimum percentage up to the midpoint. For high exposures select a percentage between the midpoint and the maximum percentage. For accounts with average exposures select a percentage around the midpoint. As an example if the premises/operations modifications factor range is from 8% to 30% for a low exposure select a factor from 8% to 19%, for a high exposure select a factor from 19% to 30% and for an average exposure select a factor between 17% and 21%. You should use the same factors for similar exposures across all your programs.
>
> Row 54 will display the portion of the umbrella premium that is based on the primary GL premium.

Miscellaneous Liability

Rows 56-64

Use this section to price Liquor Liability, Foreign Liability, Druggist Liability, Watercraft Liability and Professional Liability.

If the primary miscellaneous policies are not priced in Cover-All enter the primary rate in Column F.

Enter the primary premium (excluding TRIA) in Column D and enter a modification factor from the range in Column J. For "flat rate states" you must enter the factor shown. As a rule the modification factor should be higher than the GL factor and follow the GL rule above of the likelihood of an umbrella loss keeping in mind that it is preferred that you select a factor of 30%.

Row 64 will display the portion of the umbrella premium that is based on the miscellaneous liability premium(s).

Auto Liability

Rows 66-82

This section calculates the 1st $1MM umbrella premium from the primary auto policy. Enter the number of autos by type in Column D. Then, select a rate between the minimum and maximum ranges. Consider the vehicle use (service vs commercial) and distance traveled when selecting a rate. For "flat rate states" enter the rate per unit shown.

Row 80 will display the portion of the umbrella premium that is based on the autos.

Row 82 displays the $1M x P premium (excluding TRIA) before schedule rating.

SCHEDULE RATING

The book of business should have consistent pricing. All insured with the same characteristics should have the same schedule rating. For example, Financial Condition of Risk which is based on the D&B rating should be applied to all insured for which there is a D&B rating.

Refer to Row 87 for instructions on how to enter a debit or credit.

The allowable range for the state selected in Row 10 is displayed in Row 123 and the spreadsheet will not enable you to exceed this range. Cell G123 displays the total schedule debit/credit applied on the policy.

Each credit and debit must be justified and you can do this in two ways. The 1st is to select a justification from the dropdown in Column H. If none of the justifications are appropriate for the policy you can select "Other" from the dropdown and enter the justification in Column K. If a category does not have a dropdown type the justification in Column H.

Dropdown Justification Options:

Nonstandard deductibles
  Credit: The GL deductible is more than $100,000.
Variance in standard aggregate limits or in application of aggregates
  Credit: The GL has a $5 MM per location aggregate.
    The GL has an uncapped per location aggregate.
Other classification peculiarities
  Credit: The insured transports people, but doesn't have any 12/15
  Debit: The auto schedule contains unmodified 12/15 vans.

Formal loss control & safety program
  Credit: The insured has a formal written safety program in place.
  Debit: GL &/or auto loss control recommendations have not been completed.
Employed safety director
  Credit: The safety director investigates all accidents.
    Management reviews all accidents for causes & amends policies to prevent reoccurrences.
Pollution control program
Accident investigation
Quality control program
Formal schedule of maintenance
  Credit: The vehicles are on a formal maintenance schedule.
  Debit: The autos are not on a formal maintenance program.
    There was an auto loss due to lack of vehicle maintenance.
Manual or automatically operated equipment/machinery
Hiring practices
  Credit: Pre-employment drug tests &/or background checks are conducted.
    Periodic random drug tests are done.
    MVRs are run & employees with Type A & serious Type B violations are prohibited from
    driving.
    Employees must have positive references and 5 years of experience

  Debit: No pre-employment screening is done.
    MVRs are not checked for drivers prior to hire.
Training
  Credit: Monthly training sessions conducted by safety director or other
    management.
  Debit: Drivers are not trained on loading/unloading procedures.
Stability of employment
Premises – condition & care
  Credit: Favorable loss control survey
    Emergency lighting; clean & dry floors, carpet not ripped.
    Daily walk through inspections
Year in business
  Credit: Insured has been in business at least 10 years.
  Debit: Management has been in business less than 10 years.
Financial condition of risk
  Credit: D&B rating 1
    D&B rating 2
  Debit: D&B rating 4
    D&B rating 5
Attitude – cooperative
  Credit: Insured complied with all loss control recommendations.

MINIMUM PREMIUM
Rows 129 through 131 are used for the minimum premium calculation. The three options are Filed, Program and Other. The Filed minimum premium cannot be changed. However, if your program MP is different that the filed MP select Program from the dropdown and enter the MP in Row 131. If a particular policy has a minimum premium that is different from the Filed or Program MP select Other from the dropdown and enter that MP in Row 131.

PRICING ADDITIONAL UMBRELLA/EXCESS LIMITS

Rows 133 through 164 are used to calculate the umbrella limit of $2MM to $25MM. Select an excess factor from the minimum and maximum range. Some states are "flat rate states" so you can only enter the factor indicated. These states may also have separate factors that you must enter for GL and auto.

Column Q will display the Umbrella Premium including TRIA. When you enter the Target Premium on Screen 98660 in Cover-All use the Additional Premium for Layer in Column S for the various limit options.