



## AIG Programs

### Program Underwriting Authority

#### MountainGuard Program

Edition Date:	11/16/15
Program Administrator:	Willis of New Hampshire, Inc. Pease International Tradeport One New Hampshire Avenue, Ste. 200 Portsmouth, NH 03801
Principal(s):	David G. Hampson, President & CEO James Kelley, Underwriting Officer
Program Description:	Alpine Ski Resorts (Winter and Summer activities).
Program Manager:	Patti Craig
Program Inception:	January, 1963
Division:	66 – AIG Programs
Related PUC Numbers:	0015 Ski Area 4670 Ski Resorts All lines except XS 0014 Ski Canada All lines except XS 0013 Ski School All lines except XS 0017 Canada XS 0018 Ski XS 0016 Ski School XS



**Program Territory:** United States and Canada excluding all territories and possessions

**Program Commission:** 20% on all lines except Auto  
15% Commercial Auto



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## NOTICE – PLEASE READ CAREFULLY

This Program Underwriting Authority (the “Authority”) set forth the terms and conditions pursuant to which the Program Administrator named in Section 6 hereof (referred to hereinafter as the “Program Administrator”, “You” or “Your”) may place business with the insurance companies named in Section 2.1 hereof (collectively referred to hereinafter as the “Company”, “We”, “Us” or “Our”) in accordance with the Program Administrator Agreement between the Company and the Program Administrator.

Periodically during the year you may receive a change from us that directly correlates to this Authority document. That change will be deemed to be effective as of the date of the publication of the bulletin unless otherwise specified. Such changes, which may include rates, rules or form approval changes, will be integrated in to future Authority documents. The Program Administrator employee listed in Section 6, as the person assigned the underwriting authority granted herein, is responsible for the coordination with the Program Administrator’s staff of periodic updates to this Authority.

Please access our website at <http://www.aigprograms.net> for additional information as directed in this document.

Excluding any information provided by us via Bulletins to you, if there is a conflict between the instructions contained within this Authority and any other communication, this Authority shall supersede all other instructions.

Please sign the acknowledgement and acceptance form in Section 6 and return an executed copy of the Program Underwriting Authority to your Program Manager within 30 days. If your Program Manager does not receive the executed copy within such time, this Authority will automatically go into effect on the date set forth in Section 6.

## 1. PROGRAM OVERVIEW

### 1.1 ELIGIBLE BUSINESS – PROGRAM DESCRIPTION

You may underwrite, quote and bind business on behalf of the Company on eligible accounts for the MountainGuard Program (Hereinafter, the “Program”) that meet the following eligibility requirements:

#### **Eligible Risks:**

#### MountainGuard

Alpine ski operations (lifts, skiing, cross country and snowboarding) and Heli-ski/Cat-ski operations.  
Alpine ski operations encompass winter resort activities, lodging/restaurant and summer operations.



- Winter resort activities may include terrain parks, tubing, ski schools, ski equipment rental, ice skating, snow shoeing, cross country skiing, snow-bikes, sleigh rides , air bags or ATV tours and guided snowmobiling.
- Lodging and restaurant operations include restaurants, bars, lodging, property management, health clubs, spa, daycare, indoor & outdoor pools and retail sales.
- Summer operations include golf, tennis, biking, skateboard parks, digglers, alpine slides and coasters, zip lines, tethered trampolines, adventure ropes courses, climbing walls, concessioned ATV rentals, air bags, concerts under 5,000, horseback riding; campgrounds, hiking, fishing, disc golf, alpine flyers; archery, non-motorized watercraft <25 ft in length, ski swaps (used equipment – retail) and waterfront operations including swimming and waterfront activities.
- Special Events sponsored by the insured and sponsored by other entities on insured premises are included as eligible operations.

Ski operations must have a written Safety Program in place.

**Eligible, but subject to referral to Program Manager:**

- Stand-alone sightseeing lifts and tramway exposures
- Non-concessioned ATV and snowmobile rentals (non-guided)
- Any activity with non-concessioned horses or saddle animals
- Air-boards/Kite-boards
- Non-tethered trampolines
- Motorized Watercraft – over 26' and 25 HP or less
- Armed security guards/policemen
- Utility Operations other than Wind or Solar on Insured property
- Special Events with motorized vehicle stunts/racing/demonstrations or large, national events such as XGames, Olympics, World Cup or other large televised events.

**Operations must be part of the ski area that qualifies for the program. This list does not include all incidental operations – if not listed risk is subject to referral.**

In addition, We require the following account attributes\*:

- At least five (5) years in operation (new business only; once approved, further account referrals are not needed).
- Five-year currently valued (within 180 days of the proposed effective date) hard copy loss history provided by the insurance carrier on new business (see Section 3.5 for additional information).
- The loss ratio for the current year, and separately, all lines combined for the past five years, must be 50% or less, with no single loss greater than \$150,000 (Incurred loss) for MountainGuard and \$50,000 for RinkGuard.



- Current policy must be active and not in the process of being cancelled or non-renewed (with the exception of a non-renewal by a carrier exiting a similar program).
- D&B credit score of 1, 2, 3, or 'no alerts' as obtained from eStart.\*\* for accounts with premium \$300,000 or less.
  - For accounts with premium greater than \$300,000, an Experian report must be ordered and the score must be twenty-five (25) or higher
  - For accounts with premium of \$500,000 or more, a complete copy of the most recent two (2) year, as well as interim, Audited Financial Statements or Compilation/CPA prepared Financial Statements must be evaluated and signed off by the Willis Financial manager.
  - Accounts with third party deductibles or self insured retentions (SIR) of \$100,000 or greater require two (2) year, as well as interim, Audited Financial Statement or Compilation/CPA prepared Financial Statement must be evaluated and signed off by the Willis Financial manager\*\*\*.

\* Accounts that do not possess each of the above attributes may be deemed acceptable, but must be referred to your Program Manager for review and approval prior to quote.

\*\*For accounts with a D&B score of 0, 4, or 5, or where eStart indicates 'not evaluated' with an annual premium of less than \$100,000, the following financial review is acceptable when documented in file:

- If You subscribe to Experian, the account has a score of twenty five (25) or higher; or
- Their payment history must be reviewed and found to be 'current'; and
- You have verified that the Insured is not operating under any chapter of the United States Bankruptcy code.

\*\*\*AIG may change the authorized signoff via an addendum or underwriting bulletin.

If the above cannot be verified, or if the account premium is in excess of \$100,000, you must submit the account to your Program Manager along with a copy of their current financial statements for approval prior to quote.

## 1.2 INELIGIBLE BUSINESS

You cannot quote or bind business for accounts that are outside of the parameters established above. In addition, the following risk classes are considered ineligible for this program.

### MountainGuard

- Any stand-alone tubing or terrain operations
- Boarding schools and student/campers in-residence,
- Airports,



- Non-tethered Hot air ballooning,
- Helicopter rides,
- Para-sailing,
- Bungee jumping,
- Mechanical bulls,
- Residential real estate development operations when acting as the general contractor,
- Zorbs,
- Flyboards including water jetpacks, and
- Areas that include primary power generating utility operations.

## 2. AUTHORITY

### 2.1 INSURANCE COMPANIES

You are authorized to place business in the Program with the Companies set forth below

#### COMPANY NAME

**New Hampshire Insurance Company**  
**Granite State Insurance Company**  
**Illinois National Insurance Company**  
**National Union Insurance Company of Pittsburgh**  
**AIG Insurance Company of Canada**

### 2.2 LINES OF BUSINESS / PREMIUM / OPERATING SYSTEM

You may underwrite, quote and bind eligible business in the Program for accounts with premiums up to the following amounts using the operating system(s) set forth below.

The premium amounts apply only to business written in the Program and do not apply to any business written with any other company, branch, division or department of any member company of American International Group, Inc.





LINES OF BUSINESS	PREMIUM AUTHORITY	OPERATING SYSTEM`
Commercial Property/Inland Marine	\$175,000	Coverall
Commercial Package Policy	\$450,000	Coverall
Commercial General Liability	\$250,000	Coverall
Commercial Automobile	\$75,000	Coverall
Commercial Crime Coverage	\$25,000	Coverall
Umbrella Liability Coverage	\$200,000	Coverall
The sum of all policies and/or coverages written for one insured	\$725,000	

\*Coverall Operation System applies to U.S. Business only. Canadian business is manual policies and final issuance and coding is completed by the AIG Canadian office.

### 2.3 NAMED INSUREDS

You must understand the operations of all current and inactive named insured entities included on any policy and verify that each such entity meets the eligibility as defined for the Program.

Note: Individuals (i.e., natural persons) may not to be listed as a “Named Insured” on Our policies.

Please refer all accounts that are requesting either an individual or a non-qualifying entity to be listed as a “Named Insured” to your Program Manager prior to quote.

### 2.4 LIMITS AUTHORITY

You may underwrite, quote and bind eligible business in the Program for accounts with limits up to the amounts set forth below subject to the following catastrophe management limitations.



PROPERTY/CRIME COVERAGES	Limits	
<b>PROPERTY</b>		
Commercial Property and/or Inland Marine	\$30,000,000	Maximum Amount Subject
	\$75,000,000	Gross Total Insured Values
Earthquake – 250 Year MMI Zones of 7.0 through 12 (derived from RiskMeter*), and the entire state of California, Alaska and Hawaii	No Authority	
<b>Canada – No authority in British Columbia; no authority in Providence of Quebec in the following Postal Codes: V3M, V4G, V4K, V6V-T, V7A-E.</b>		
Earthquake – 250 Year MMI Zones 1 through 6.99 (derived from RiskMeter*),	\$ 10,000,000	
Earthquake Sprinkler Leakage – 250 Year MMI Zones of 7.0 through 12 (derived from RiskMeter*), and California, Alaska and Hawaii,	No Authority	
Earthquake Sprinkler Leakage – 250 Year MMI Zones 1 – 6.99 (derived from RiskMeter*),	\$ 10,000,000	
Flood – RiskMeter flood score over 40	No Authority	
Flood – RiskMeter flood score 10 - 40	\$ 10,000,000	
* See Qwik Notes for Information on RiskMeter		
Wind/Coastal Property	No Authority	Refer to the Windstorm section of Property Qwik Notes for guidance prior to making your referral.
Equipment Breakdown	Per Equipment Breakdown Addendum	See Section 5 for Equipment Breakdown Addendum.
<b>CRIME</b>		
Commercial Crime (1): Employee Theft (1) Includes Employee Benefit Plans – when scheduled on the Declarations Page	\$250,000 (Except if ERISA required \$500,000)	Per Occurrence
Forgery or Alteration		
Inside the Premises: Theft of Money and Securities	\$250,000	
Inside the Premises: Robbery or Safe Burglary of Other Property	\$250,000	
Outside the Premises	\$50,000	
Computer and Funds Transfer Fraud	\$250,000	



Money Orders and Counterfeit Money	\$5,000	
All other Commercial Crime	\$250,000	Per Occurrence

<b>BUILDERS RISK : HARD AND SOFT COST TOTAL</b>	<b>Protection Class 1 - 6</b>	<b>Protection Class 7 - 8</b>	<b>Protection Class 9 - 10</b>
<b>BUILDING CONSTRUCTION:</b>			
Frame and Joisted Masonry	\$2,500,000	\$2,500,000	\$500,000
Non-Combustible (ISO Construction Class 3)	\$5,000,000	\$5,000,000	\$500,000
Masonry Non Combustible, Semi-Fire Resistive, and Fire Resistive	\$5,000,000	\$5,000,000	\$1,000,000
<ul style="list-style-type: none"> <li>➤ Coverage is a referral if the “Soft Costs” limit exceeds 20% of the Builders Risk “Hard Costs”</li> <li>➤ “Soft Cost” Limits must be scheduled for each type of cost to be covered with respective limit</li> </ul>			

<b>GENERAL LIABILITY, AUTOMOBILE, GARAGE, UMBRELLA</b>	<b>Limits</b>	
Commercial General Liability and Products Liability	\$1,000,000 NA \$2,000,000	Each Occurrence General Aggregate Products-Completed Operations Aggregate
Medical Payments	NA	
Personal/Advertising Injury	\$1,000,000	Each Occurrence
Damage to Premises Rented to You	\$1,000,000	
Liquor Liability	\$1,000,000 \$1,000,000	Each Occurrence Annual Aggregate
Employee Benefits Liability	\$1,000,000 \$1,000,000	Claims Made Annual Aggregate
Pollution: Herbicide/Pesticide	\$1,000,000	Each Occurrence
Errors and Omissions Liability	\$1,000,000 \$500,000 \$1,000,000 \$500,000	Spa Per Wrongful Act Hospitality Per Wrongful Act Spa Annual Aggregate Hospitality Annual Aggregate
Commercial Automobile Liability	\$1,000,000	Any One Accident
Commercial Automobile Physical Damage	ACV to \$100,000	Per Vehicle Replacement Cost
Minimum Deductible:		
➤ \$1,000 with Cost New Less than \$60,000		
➤ \$2,000 with Cost New At or Above \$60,000		
Amount Subject Any One Location	\$1,000,000	



Garagekeepers Coverage:		
Comprehensive	\$500,000	Customer autos in our CCC
Collision	\$500,000	Customer autos in our CCC
Commercial Umbrella	\$10,000,000	Each Occurrence
	\$20,000,000	General Aggregate Limit

## 2.5 WINDSTORM AND EARTHQUAKE CAT MANAGEMENT REFERRALS

Catastrophe modeling is also required when writing property coverage including windstorm and/or earth movement on both new and renewal business for any locations:

1. within Windstorm Control Zones (as defined in the Windstorm section of the Qwik Notes), and
2. for any location(s) with a RiskMeter 250 year MMI rating of 7.0 and above for earth movement.

All new business falling into either of the above parameters must be submitted to the Program Manager for CAT modeling prior to quoting

As respects renewal business you should use the Average Annual Loss determinations provided to you by your Program Manager as part of the underwriting / referral process.

No new or renewal property coverage subject to modeling may be quoted until required approval is received from the Program Manager.

## 2.6 ADHERENCE TO FILED RULES/LOSS COSTS/FORMS

### 2.6.1 ISO PRODUCTS / AAIS PRODUCTS / PROPRIETARY PRODUCTS

For this program, for the following lines of business, the Company utilizes the following products as set forth below:

INSURANCE SERVICES ORGANIZATION	AAIS	PROPRIETARY PRODUCTS
Commercial General Liability	Inland Marine	Ski Property/Inland Marine Ski General Liability Canadian MountainGuard
Commercial Auto		Equipment Breakdown
Commercial Property		Commercial Umbrella
Commercial Crime		

Unless you are advised otherwise by a Program Administrator Bulletin, the Company will automatically adopt all ISO/AAIS products *using their effective dates* as filed for:

Coverage Forms and Endorsements



- Loss Costs, Expected Loss Potentials and/or Rates
- Increased Limits Factors
- Rating Plans
- Classification Plans
- Manual Rules

The Cover-All Operating system will maintain all changes in compliance with our filings.

### 2.6.2 NEW YORK FREE TRADE ZONE (NYFTZ)

You are authorized to write business in the NYFTZ that qualifies under ‘Class 2’ but only as directed in Section 5. Where the Insured’s Headquarter State is New York, *all* Umbrella policies must be issued in the NYFTZ (see Umbrella Qwik Notes for details). You must refer any ‘Class 1’ risk to your Program Manager prior to quote. The Company does not write business that qualifies as ‘Class 3’ at this time.

Regulation 86 is available here: <http://government.westlaw.com/linkedslice/default.asp?SP=nycrr-1000>

### 2.7 POLICY TERM

Policy periods (including any coverage and rate commitments associated therewith) up to twelve (12) months.

Note: The foregoing notwithstanding, You may extend the 12 month policy period to accommodate concurrency requests for a period of up to 60 days. When issuing a policy greater than one year, please notify your Program Manager of the premium in excess of the annual term.

### 2.8 PRICING AUTHORITY

You have authority to use the pricing plans designated below. You have no authority to use any rates, loss costs, or rating plans other than those filed by or on behalf of the Company. When pricing all lines, you must properly document the underwriting file relative to qualification and/or the known risk attributes as required by state regulatory requirements.

PRICING / RATING PLAN	
AAIS Rating Plans for the following lines of business: Builders’ Risk, Fine Arts Floater, Scheduled Property Floater	Approved
Preferred Risk Property (PropertyOne Rating Plan)	No Authority
Use of Schedule Rating and IRPM	Approved
ISO ‘a’ Rating	No Authority
Deviation from ISO ‘Increase Limits Factors’	No Authority



ISO Rule 15 – Commercial Automobile	No Authority
ISO Rule 34 – Commercial General Liability	No Authority
ISO Composite Rating	Approved
Loss sensitive rating or retrospective rating	No Authority
Large or Special Risk Rating	No Authority
Use of any other State Approved “Deregulation” relative to rate or form use	No Authority
Dividend plans: individual risk or entire program	No Authority
Premium deferral or cash-flow programs, or compensating balance programs	No Authority
Rate guarantees beyond the annual policy term	No Authority
Self insured retentions	No Authority
Consent to Rate Rules	No Authority
AIG Umbrella Rating Plan	Approved
Ski Resort Proprietary Filed Rate Plan	Approved

### 2.8.1 ISO “REFER TO COMPANY” RULES

Anytime ISO has insufficient data to promulgate a rate or loss cost, they defer to the company to create its own rate. Please refer to Section 5, “Refer to Company” rules which are applicable (by product line) for the Program, or Qwik Notes for guidance. If we do not address a specific “Refer to Company” issue pertaining to rating an account, please refer the matter to your Program Manager for guidance prior to quote.

## 2.9 LIMITATIONS TO AUTHORITY

Unless a specific exception is listed in Section 5, you may not place any business in contravention of this Authority with respect to any aspect of the insurance placed pursuant to the Program, including without limitation, types of risk, coverages provided, policy terms and conditions, and pricing techniques.

### 2.9.1 LIMITATIONS: GENERAL LIMITATIONS

Unless authority is granted elsewhere in this document, no authority exists to:

1. Quote or bind an account operating pursuant to any chapter of the United States Bankruptcy Code.
2. Quote or bind any account with Commercial Auto exposures of a long-haul nature, defined as a radius of operations greater than 250 miles.
3. Quote or bind any account with overhead transmission/distribution lines either for direct damage or consequential loss, i.e. business interruption or extra expense.
4. Bind any account where Risk Transfer is not self evident, or where the premium for such accounts must be recorded as a deposit.
5. Use any endorsement related to any rating agency downgrade of AIG (Credit Downgrade Endorsement).
6. Captive, pooling, or other risk financing arrangements.
7. Assumed reinsurance.



8. Amendments to any Program Administrator Agreement or other contractual agreement between any company of AIG, Inc., and any duly authorized broker doing business with the AIG Programs Division.
9. Back-date coverage more than ten (10) business days (and if ten days or less, subject to a warranty of no known or reported losses from the insured).  
For clarity:
  - a. The backdating of the deletion of a building, personal property, or an automobile(s) does not require a 'no known or reported loss' letter and your authority to approve the deletion is extended to thirty (30) days from the date of the sale of the property or vehicle. The deletion of a vehicle that's been declared a total loss as a result of a comprehensive or collision event is not considered backdating.
  - b. An endorsement request to add coverage for a newly acquired property, automobile, or entity where coverage is already afforded on the insured's policy is not considered backdating, subject to the following:
    - i. The limits, terms and conditions of the "newly acquired" clause; and
    - ii. The request to add coverage must be received in accordance with the timeframe set forth in the policy.
  - c. Any reduction from the original representation of the General Liability exposures found on the application is considered a back date request. While a letter of 'no known or reported losses' is not required, such post-bind requests should be supported by a revised application or letter signed by the insured supporting the change.
10. Requests for facultative reinsurance of any line.
11. Agreement to pay or actual payment of any loss not covered by the policy as it was written at the time of loss.
12. Individual risks, or programs, if AIG Claims Services, or an AIG approved TPA is not handling all losses and loss adjustment.
13. Revise any premium audit without the express written consent of the Company Premium Audit Division.

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#### 2.9.2 LIMITATIONS: COVERAGES

Unless authority is granted elsewhere in this document, no authority exists to quote or bind any of the following:

1. Claims Made coverage in a program where the CGL is written on an Occurrence form (excluding Employee Benefits Liability).
2. Occurrence Coverage in a program where the CGL is written on a Claims Made form.
3. Employment Related Practices.
4. Pollution or other Environmental coverage except for the Pesticide/Herbicide and Pool Chemical exception endorsement.



5. Liquor Law Liability in states designated as a high hazard (8 or higher) by ISO except VT for MountainGuard.
6. Railroad Protective Liability.
7. Professional Liability or Errors and Omissions Liability except for Spa or Hospitality endorsements.
8. Manufacturers Output policies or coverage.
9. Ocean Marine.
10. Product Recall.
11. Foreign coverage (i.e. outside the United States or Canada).
12. Hawaii Auto Coverage if not written through Coverall.
13. Massachusetts Auto Coverage if not written through Coverall.
14. Mold/Fungus Coverage.
15. Data Corruption coverage.
16. Policies that provide for Windstorm and/or Flood and/or Earthquake only.

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### 2.9.3 LIMITATIONS: POLICY TERMS AND CONDITIONS

Unless authority is granted elsewhere in this document, no authority exists to quote or bind any of the following terms or conditions:

1. Individual risk, or programs requesting financial guarantees, e.g. any situation where we would be asked to include language in our policy, or assume obligations in the repayment of indebtedness.
2. Aggregate Limit reinstatement.
3. Requests for mid-term increase in limits of liability (GL only). A “no known loss” warranty statement from the insured may also be required.
4. Extension of cancellation or non-renewal provisions beyond the statutory minimum or 90 days, whichever is greater.
5. Master policies with certificates.
6. Manuscript policies, forms or endorsements, defined as insurance coverage documents, whether written by member companies of AIG or not, that amend policy coverage terms but are not filed.
7. Removal of any policy exclusion.
8. Property Loss – Limit forms or coverage.
9. Property (real, personal or inland marine) on a reporting form basis.
10. Property blanket policy limits.
11. Deductible aggregate less than five (5) times the Deductible or any Aggregate stop loss on Self Insured Retentions. Exceptions require Program Manager approval (unless previously approved by the Program Manager).





## 2.10 STATE SURCHARGES AND FEES

You are responsible for the proper billing and collection of all state surcharges and fees. Please refer to our Underwriting Bulletins or contact your Program Manager for current information regarding all applicable state surcharges and fees.

## 2.11 POLICY ISSUANCE AUTHORITY AND SERVICE STANDARDS

You are authorized to issue policies and on behalf of the Company in accordance with the Authority set forth herein. You must issue and mail all policies (either by USPS or electronically) within thirty (30) days from the effective date of the policy with the exception of MountainGuard policies effective November, December and January, which allow 60days from the effective date.

Endorsements must be issued and mailed (either by USPS or electronically) within thirty (30) days of receipt of the request.

Note: In any instance where the endorsement must be back-dated (see Section 2.9.1.9) and such endorsement expands or broadens the terms, conditions or limits of the policy, the insured must provide written confirmation that there are no known losses during the period between the date of receipt and the endorsement effective date. For changes to an Automobile policy, a no known loss letter will not be required if: (a) there is an exchange in vehicles, or (b) the number of units is reduced for any reason.

## 2.12 APPROVED COVERAGE FORMS AND ENDORSEMENT AUTHORITY

The attached document, Appendix A, sets forth the coverage forms and endorsements that are available for use with the Program by line of business by jurisdiction.

This information is current as of the date of this document. However, the actual edition dates are subject to change based upon new forms being filed and approved. You may not use any form or endorsement other than the most current version approved for use by the Company, by line of business, and by jurisdiction.

Anytime you need to use a coverage form or endorsement not set forth in the attached document, you must refer such form to your Program Manager for review and approval prior to use.

## 2.13 DELEGATION OF AUTHORITY

The person designated in Section 6 (the "Designee") may delegate the underwriting authority set forth herein to employees of the Program Administrator, provided such employees are under the employ and direct supervision of such designee. Any such delegation of authority must be done in writing, maintained on file at the Program Administrators office and made available to the Company upon request. No person other than the Designee may delegate any underwriting authority nor may the Designee delegate any authority to anyone outside of the employ of the Program Administrator. Any exceptions to any of the



foregoing must be expressly approved in writing by your Program Manager prior to initiating the quote process.

Delegation of authority to employees must be done in writing and shall be maintained on file at the Program Administrators office.

## 2.14 UNDERWRITING GUIDELINES - QWIK NOTES

Throughout this document you will see references to Qwik Notes. These are Our Underwriting guidelines that summarize specific line of business rules that you are expected to follow unless otherwise directed in this document. You and your staff should carefully read them and refer any questions to your Program Manager. We will notify you of any changes during the course of the year via Underwriting bulletin. You can access the most current edition of Qwik Notes via the AIG Program website.

## 3. PROGRAM UNDERWRITING RULES

### 3.1 UNDERWRITING FILE/DOCUMENTATION REQUIREMENT

You must document the underwriting file to reflect that all issues warranting special consideration have been recognized, evaluated, and found to be in accordance with the Authority delegated to You. Likewise, if any exposures are excluded from coverage, you must document the file accordingly. The underwriting file must contain sufficient information and organized in a manner that will allow anyone to understand the Program Administrator's underwriting intent by reading the file.

The minimum general requirements for contents of an underwriting file (paper or electronic) are:

- Signed and dated application(s) – see Section 3.2.
- Account reservation (eStart) confirmation page, including the D&B credit score and any credit or underwriting alerts contained therein – see Section 3.3.
- Account summary worksheet - See Section 3.4.
- Loss runs – see Section 3.5.
- Final rating worksheets.
- Where a policy is ISO 'a' or 'range' rated, documentation supporting the rate selected and where needed, approved by the Program Manager.
- Declarations Page (including full legal address of the insured).
- All correspondence pertaining to coverage or premium, including referrals.
- Referral approvals, declinations, if any.
- All quotes retained in a .pdf format along with the email cover letter.
- All binders, retained in a .pdf format along with the email cover letter.
- Complete copy of the policy, which must include a schedule of forms (either paper or electronic copy)
- Copies of any:
  - a. Mid-term endorsements;



- b. Notices of cancellation;
- c. Additional Insured endorsements;
- d. Non-Renewal notices;
- e. Renewal notices;
- f. Premium audits;
- g. Loss Control Reports.

The minimum additional document requirements by product line are:

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### 3.1.1 PROPERTY FILE DOCUMENTATION REQUIREMENTS

- a. Deficiency point used in MountainGuard Property Rater ..

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### 3.1.2 GENERAL LIABILITY FILE DOCUMENTATION REQUIREMENTS

- a. Schedule rating worksheets (including those written with a unity (1.00 mod) and justification for all schedule credits/debits applied.

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### 3.1.3 AUTOMOBILE FILE DOCUMENTATION REQUIREMENTS

- a. Experience and Schedule rating worksheets (including those written with a unity (1.00 mod) and justification for all schedule credits/debits applied.
- b. Driver List and copies of MVR's as required by our Underwriting Guidelines.
- c. UM/UIM offers and rejections (where required)

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### 3.1.4 UMBRELLA / EXCESS CASUALTY FILE DOCUMENTATION REQUIREMENTS

- a. Umbrella pricing worksheet including reason for pricing deviations.
- b. UM/UIM offer, acceptance & rejection forms where required (FL, LA, NH, VT, and WV)
- c. For scheduled underlying coverage(s) not written by AIG Programs, we require the following:
  - 1. Loss runs or a letter of "no known losses" where applicable – see Section 3.5
  - 2. Declarations page showing the writing company, policy period and limits.
    - i. Note: for Employers Liability, an email from the retail producer indicating the writing company is acceptable.
  - 3. Premiums (except auto and Employers Liability)
  - 4. Vehicle schedule (automobile)
  - 5. Forms schedule (except for Employers Liability).
- d. Umbrella policy when issued.



## 3.2 APPLICATIONS

A copy of the completed, signed and dated application is required on all new business and kept in the policy file, along with any supplemental applications, questionnaires, or statements of value which are critical to the underwriting of the account. Umbrella applications are not required to be signed if all of the underlying applications have been signed. Where the application becomes part of the insurance policy (as is the case with Professional Liability, for example) subsequent applications must be signed. Where the application does not become part of the insurance policy, subsequent renewal applications do not need to be signed, although it is considered preferable to obtain such signatures where possible. However, a completed, signed application is required every three years.

Additional information that is obtained through telephone conversations, email exchanges, or other means may be used to analyze an account, but must be documented in the account file.

All applications, including supplemental applications used by the Program Administrator, must be approved by the Company.

Standard ACORD forms and/or supplemental questionnaires or applications approved by your Program Manager are the only applications approved for this Program.

## 3.3 ACCOUNT CLEARANCE/RESERVATION IN 'E START'

You must enter all accounts and Named Insureds into the AIG reservation system (eSTART) prior to the release of a quote. You must include evidence of the reservation clearance in the underwriting file. You must resolve all Underwriting Alerts, Credit Alerts and Hard Blocks in accordance with the AIG's Programs requirements (see website for details) or as directed by your Program Manager prior to quote and retained in the file.

In addition, when an account is bound, it must be updated in eStart to reflect a bound status.

## 3.4 ACCOUNT SUMMARY WORKSHEET

Each Underwriting file must contain a completed "Account Summary Worksheet" (one document) that includes the following:

- Name and address of the First Named Insured
- Complete list of Named Insureds, a brief summary of each named insured's operations (including any discontinued operations).
- Description of all operations (confirming eligibility).
- Exposure and hazard analysis.
- Current/expiring premium (for new business, where available).
- Loss history summary by line of business supporting eligibility, including the following:
  - Total number of losses and total loss dollars incurred by policy year



- Analysis of any claim in excess of \$50,000
- D&B Score of 1, 2, or 3 (from eStart), or if the score is 0, 4, or 5, financial analysis as directed in Section 1.1, Eligibility, or referred to the Program Manager with supporting financials and approved prior to quote.
- Underwriting rationale supporting writing the account.

### 3.5 LOSS RUNS/LOSS ANALYSIS

You must analyze loss information prior to quoting any account in accordance with the eligibility requirements set forth in Section 1.1 and documented in the Underwriting file. Five year currently valued (hard or electronic copy) loss runs provided by the insurer are required on new business. See Section 3.4 for documentation expectations.

### 3.6 REFERRAL PROCESS / REQUIRED DOCUMENTATION

You must refer any underwriting issue that falls outside of the underwriting authority herein to your Program Manager prior to quoting the account. Such referral must clearly include the following:

- Reason(s) for the referral (including direct reference to Your Authority triggering same).
- Supporting documentation, including a completed, current 'Account Summary Worksheet' (see Section 3.4).
- Your reasons supporting why an exception should be made.
- Due date for a response.

It is incumbent upon You to allow sufficient time for the Program Manager to review all referrals.

Your Program Manager will respond to you with a decision via email, which you must retain in the underwriting file. You may not quote or bind coverage prior to receiving written approval from your Program Manager.

Once approved, where You have established that there has been no material change to the risk and properly documented the file, the approval remains in effect and resubmission is not required at each renewal\*. However, the following exceptions limit referral approval to the current policy year only:

1. When limited by your Program Manager and stated in their approval email; or
2. Deterioration of previously approved three year account loss ratio ; or
3. The premium exceeds your authority as stated in Section 2.2, Premium Authority; or
4. Any approval for property and/or inland marine coverages:
  - For flood and/or earth movement if there is an increase in limit(s) or decrease in deductible(s); or
  - Windstorm in a "wind control zone" (unless otherwise provided in the written approval); or



- If the key amount subject increases by more than 10% above the approved amount subject limit; or
- Any amount subject value over \$40,000,000.

\*NOTE: All referral approvals pertaining to the in force policy must be kept in the current year policy file.

In addition to the above, please note that any previously approved manuscript endorsements that do not have a specific form number and edition date must be resubmitted at expiration. Once approved, the above will apply if so designated by your Program Manager.

### 3.7 DEDUCTIBLES / SIR PROCEDURES

General Liability: there are no mandatory deductibles or SIR's for this Program. Accordingly, the use of any deductibles on a General Liability of \$100,000 or greater on New Business must be referred to your Program Manager prior to use. The use of any deductibles on a General Liability of \$101,000 or greater on Renewals must be referred to your Program Manager prior to use.

### 3.8 QUOTATION

You must issue quote letters for all accounts using a protected pdf format. The saved pdf file name must include the insured's name and the date the quote was created. The quote letter must be retained in the underwriting file along with the dated cover letter (email) that accompanied the quote. If a request is made to revise the quote prior to binding, you must issue a new quote letter.

At a minimum the quote letter must include the following: date of proposal, name of producer, name of insured, proposed effective date and expiration date, conditions, limits of liability, deductible/self Insured retention if applicable, premium, applicable coverage, description of forms and endorsements, services if applicable, payment options.

### 3.9 BINDERS

All requests from a retail broker or applicant to bind coverage must be in writing and received prior to the coverage inception date. If multiple quotes were provided, the bind order must clearly state the quote option selected.

You must issue a binder whenever a policy is not issued and mailed (USPS or electronically) within five (5) business days of the policy's effective date. Such binder must outline the final agreed-upon terms and conditions (which may differ from the quote letter assuming the changes are non-monetary). All binders must be converted to a .pdf format, sent via email, and retained in the underwriting file, along with the dated cover letter that accompanied the binder. A binder cannot be issued for a period of more than 30 days without written approval by the Company. Written approval of policy issuance within 60 days during peak season includes the issuance of binders for 60 days.



Binders may consist of an ACORD Form 75 or a binder letter, provided however, that all binder letters must reference the quote being bound and include the following information:

- Date of issue
- Quote being bound (where multiple quotes exist, you must identify the one being accepted by the insured)
- Effective date
- Type of insurance
- Coverage/Forms
- Limits
- Deductibles/SIR's/Coinsurance
- Fees and assessments
- Premium
- Writing company(s)
- Special conditions (warranties, subject to conditions, disclaimer wording in the event of a material change in exposure or conditions)
- All non-monetary changes agreed to at time of binding

All binder letters must contain the following language:

“This binder contains a summary of the coverage provided under the policies listed herein and does not include all the terms, conditions, and exclusions of the policy(ies). The policy(ies) contain the full and complete agreement with regard to the coverage provided therein. Please review the policy(ies) thoroughly with your broker upon receipt and notify us promptly in writing if you have any questions. In the event of any inconsistency between the binder and the policy, the policy language shall control.”

### 3.10 OTHER UNDERWRITING CONSIDERATIONS

#### 3.10.1 CANCELLATIONS/NON RENEWALS

You must provide proper and timely cancellation and/or non-renewal notices to policyholders, and such other entities as required by the policy, any application law, rule, regulation or order, or the Company. For all cancellations, conditional renewals and non-renewals, use of ODEN Policy Terminator is required to ensure that notices provided comply with each state’s requirements.

#### 3.10.2 DECLINATIONS

Declination of any submitted new business account must be done in writing and in a timely manner.

#### 3.10.3 MATERIAL CHANGE IN COVERAGE/RATE INCREASES



Many states require notification of any change in premium (including not only base rate changes, but the premiums charged to the individual account) or restrictions in coverage. Some states will require notification to the policyholder prior to renewal, while other states may require a conditional non-renewal. You must issue such notices as required by applicable law, and forward any questions to your Program Manager.

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#### 3.10.4 STATE SPECIFIC AMENDATORY ENDORSEMENTS

You must issue all state regulatory notices and amendatory endorsements as required by applicable law. If you are issuing policies through CoverAll, such notices and state amendatory endorsements are automatically attached. Non-CoverAll Programs should consult the PA Website for these notices and amendatory endorsements. As updated versions of these notices and amendatory endorsements become available, we will provide these to you via PA Bulletin and update CoverAll and the PA Website accordingly.

Your Program Manager is available should you have any related questions.

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#### 3.10.5 HEADQUARTERS STATE RULE

You must verify that the Program is in compliance and using approved loss costs/rates, rules and forms based upon the 'headquarters state' of the first named insured. As used in this document, "headquarters state" is defined as the state shown in the mailing address of the first Named Insured on the declarations page – the state in which the first Named Insured maintains its headquarters or principle place of business.

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#### 3.10.6 TERRORISM RISK INSURANCE ACT (TRIA)

You must comply with provisions of the Federal Terrorism Risk Insurance Act of 2002, as amended. You must provide a quote for terrorism when providing coverage for Property, General Liability, and/or Excess Casualty lines of business. The Company has taken the position that coverage for terrorism for these lines must be offered with no option to reject coverage, using Form 96556 (01/15) and must clearly show the premium charge. The rate will be a flat charge of 1% where approved. (Refer to Qwik Notes for zip codes where coverage for Terrorism requires a referral.)

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#### 3.10.7 OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

You must attach the approved AIG Economic Sanctions Endorsement on all policies.

You must comply with all laws, rules and regulations promulgated by the Office of Foreign Assets Control (OFAC). By clearing the account and any alerts and/or blocks that arise in eStart (see Section 3.3), you are satisfying this requirement.





However, You must refer all matters involving conflicts of this type to your Program Manager immediately to address any potential legal risks under all applicable laws prior to quoting. You are not authorized to bind coverage for any insured included on any list of Specifically Designated Nationals and Blocked Persons promulgated by OFAC.

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### 3.10.8 COMMISSION – POLICYHOLDER NOTICE

You must attach the approved AIG policyholder notice (form 91222 04/13) regarding producer commission to all policies issued pursuant to the Program.

## 4. ADMINISTRATION AND SERVICE

### 4.1 LOSS CONTROL

Loss control surveys are provided by AIG Programs approved subcontractors by the Willis of NH Mountinguard Program. 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.

Refer to the separate loss control agreement for lift and liability loss control services provided by Willis of NH Loss Control and Engineering personnel. Willis will use iAuditExpert for their surveys and recommendation follow up.

Property and automobile loss control is only completed every 3 years.

### 4.2 PREMIUM INSTALLMENTS AND FINANCING

The Company can offer Winter installment plans for accounts renewing in Oct, Nov, Dec and Jan. Premium financing is allowed but is not offered by the Company.

## 5. LINE OF BUSINESS GUIDANCE: RATES AND RULES

Included in this Section are the rates and rules by product line approved for use with this program and is subject to periodic change. We will use the Cover-All operating system and/or Program Administrator bulletins to keep this information current.

### 5.1 PROPERTY / INLAND MARINE / CRIME: APPROVED RATES AND RULES

Unless otherwise directed in this section:

1. Please refer to the Division 66 Property Qwik Notes.
2. You are to use ISO loss costs or class rates applicable at each location except for the MountainGuard filed property rating which does not contemplate a coinsurance condition.



**MountainGuard uses proprietary MountainGuard forms and endorsements.**

**1. MountainGuard Property Rating**

- The following property is rated per the filed MountainGuard Proprietary rating using the approved MountainGuard property rating worksheet.
  - i. Building and Contents
  - ii. Ski lifts and tows
  - iii. Snowmaking equipment
  - iv. Mobile Equipment
  - v. Night Lighting
  - vi. Rented Equipment
  - vii. Business Income

**2. Flood and Earthquake** are rating using the MountainGuard Flood &Earthquake rating worksheet(s)

**3. Supplemental Declaration Increase in Limits**

- Increase in Additional Coverage and Coverage Extension require Program Manager approval
- Premium for the increase limit will apply the rate to the difference in the increases limit and the limit provided in the coverage form.
- The rate will be the ISO rate and rating methodology for the specific coverage

**4. Egress/Ingress (Road Closure)** – Referral to the Program Manager

**5. FoodBourne and WaterBourne**

- Loss Control survey should evaluate the compliance with health department or other jurisdictional requirements as part of the 3 year property inspection cycle.
- Limits available \$100,000, \$250,000 or \$500,000
- FoodBourne Premium is a percentage of the Business Income Premium
  - i. 1% for \$100,000 limit
  - ii. 2.5% for \$250,000 limit
  - iii. 5% for \$500,000 limit
- WaterBourne Premium is a percentage of the Business Income Premium
  - i. 1% for \$100,000 limit
  - ii. 2.5% for \$250,000 limit
  - iii. 5% for \$500,000 limit



6. **Golf Course Coverage:** The three coverage parts are each subject to IRPM modification, but not below the minimum premium indicated. Renewal accounts with previous rating basis will be grandfathered. This rating basis applies to new accounts effective 1/1/6 & forward.

- **Tee to Green:**
  - i. Maximum Limit \$1,000,000 per course
  - ii. Rate for \$100,000 limit per course is \$400 minimum premium
  - iii. Rate for each additional \$50,000 in limit is \$250
  - iv. Deductible \$1,000 all perils
- **Sprinklers & Underground Wiring:**
  - i. Coverage included loss or damage to inground sprinkler systems (including related equipment) and underground wiring excluding loss or damage caused by freezing.
  - ii. Maximum Limit \$250,000
  - iii. Rate is \$0.85 rate \$100 of limit, subject to \$200 minimum premium
  - iv. Deductible is \$1,000 all perils
  - v. Evaluation of freezing exposure should be done and loss control procedures should be documented.
- **Additional Covered Golf Course Property:**
  - i. Flags, ball washers, benches, tee markers, tee monuments, tee signs, exterior light fixtures, poles, and bells at the premises described in the Declarations and fences, bridges, walks, patios, and other paved surfaces adjacent to covered greens and fairways.
  - ii. Maximum Limit \$250,000
  - iii. Rate is \$0.85 rate \$100 of limit, subject to \$200 minimum premium
  - iv. Deductible is \$1,000 all perils
  - v. Fence exposures should have wind exposure evaluated. Risk with high-value fences should have higher deductibles.

**7. Special Class of Property – Property in the Open**

- ISO rule 85.L will apply to property in the open not included in the MountainGuard Rating worksheet outlined in number 1. Above.

**8. Upgrade to Green Program**

- Risks constructed within 25 years or with upgrades provided to achieve characteristics of otherwise eligible buildings
- All coverage must be 100% replacement cost value for building, contents and business income. If a LEED certified building is covered, valuation shall include these certified elements
- Not available in AK or LA



- Premium 3% of the total property premium subject to \$100 minimum premium per location, but minimum premium to be no greater than \$1,000 minimum for all locations.

#### **9. Wildfire Extra Expense**

- Coverage should be provided for 90% of the Western Ski resorts; a log of accounts rejecting coverage will be maintained by the PA
- Limits available are \$100,000 and \$250,000; higher limits are a referral to the Program Manager
- Premium 1% of the limit

#### **10. Wind Turbines**

- The Wind Turbine Questionnaire must be completed and part of the underwriting file
- Wind Turbines \$1,500,000 in value or greater is a referral to the Program Manager.
- Wind Turbines that generate total power capacity greater than 250 kilowatts is a referral to the Program Manager (and HSB for Equipment Breakdown)
- Premium is ISO rule 85.L. Special Class for property in the open and for special property that can't be rated elsewhere.

#### **Miscellaneous Inland Marine:**

1. U.S. accounts will use the AAIS forms. Canadian accounts include mobile equipment on the insured's premises within the property coverage form.
2. AAIS Forms (U.S. only): Builders' Risk; Fine Arts Floater; Scheduled Property Floater
  - i. Rating must follow AAIS rating guidelines (which are provided in conjunction with this authority document).
3. Docks and Wharves
  - i. Must be written on the separate Piers, Docks and Wharves endorsement on ACV basis only
  - ii. Rating: Form the Commercial Lines Manual, use Rule 85: Special Class Loss Costs to determine the premium charge.
    - a. For fixed docks, use Item 10: Bridges, Aqueducts
    - b. For floating docks, use Item 25: Rafts and other floating equipment, also portable, movable docks

#### **Deductibles:**

1. Direct Damage
  - a. Minimum Deductible of \$1,000



- b. Higher Deductibles should be used wherever possible and on higher exposure/larger schedules
2. Business Income and Extra Expense
    - a. MountainGuard Minimum Deductible of \$1,000
    - b. Higher Deductibles or longer waiting periods should be used wherever possible and on higher exposure/larger schedules

**AAIS rate guidelines for Builders' Risk, Fine Arts and Scheduled Property Floater are included with this Authority document (refer to Appendix B).**

### **Building Valuation**

You are expected to review property values at each renewal, and adjust where necessary, to assure proper insurance to value.

Refer to Qwik Notes for specific guidance on approved Marshall & Swift valuations with the following changes

1. Insurance to value calculations using Marshall & Swift must be completed on all new business with a building value of \$1,000,000 or greater (replaces \$750,000) and/or square footage of 10,000 (replaces 7,500)
2. Business Income worksheets must be completed for all insureds with limits in excess of \$1,750,000 any one amount subject (replaces \$500,000 requirement). Required every 3<sup>rd</sup> year as part of application.

### CRIME:

It is our intent to migrate our Crime policies to the Actual Loss Sustained form as follows:

- Effective immediately, all new Crime business should be written using ISO's Actual Loss Sustained coverage form (CR 0021)
- In the event You would like to write a new Crime policy on the 'Discovery' form, it requires a referral and prior approval by the program manager utilizing a retroactive date that is concurrent with the inception date of policy. However, the use of this form is strongly discouraged.

Renewals of existing business currently written on the 'Discovery' form (CR 0020) may continue as long as CR 2005, Retroactive Date Endorsement, is attached and properly completed (no earlier than the original date AIG assumed coverage on consecutive renewals).

## **5.2 GENERAL LIABILITY – APPROVED RATES AND RULES**

Unless otherwise directed in this section:

1. Please refer to the Division 66 General Liability Qwik Notes



2. We will use ISO loss costs, rules and forms when writing Commercial General Liability, except for the filed MountainGuard rating plan

Refer to Company rules exist for our programs and are summarized in Qwik Notes. Program specific 'refer to company rules', if any, can be found below:

### **MountainGuard General Liability Rating**

MountainGuard -The General Liability is rated per the filed MountainGuard proprietary rates using the MountainGuard General Liability rating worksheet. The final price is a composite rate based on the total insured revenues which includes the filed ski rate and the ISO rated operations.

**MountainGuard GAP (Generally Accepted Practices) for Ski Resorts Operations:** the manual is a resource guide to identify the general acceptable practices for ski resort operations. Operations subject to the MountainGuard GAP guide include the following (not limited to):

- Lift Operations
- Ski Patrol Operations
- Hazard Identification (traffic/visibility/warning signage)
- Slope Vehicle Operations
- Snow Sports School/Children's Programs
- Day Care Facilities
- Rental Shop Practices
- Terrain Park Operations
- Tubing Operations
- Special Events Management
- Base Facility Operations
- Summer Programs and Activities
- Water Activities
- Security/Hotel (Property Management)
- Skateboard Parks

### **ALPINE SLIDES, COASTERS, ZIP LINES, ROPE COURSES, AIR BAGS**

Any risk with Alpine Slides, Coasters, Zip Lines, Rope Courses or similar operations must meet the following criteria and any exception is a referral to the Program Manager.

- All equipment must meet the manufacturer's specifications for installation and operation
- Releases are required and include hold harmless and knowledge of risk language



- Participants under the age of 15 require parental/guardian consent and signature
- The operators are trained according to the manufacturer's specification for operation
- There is an orientation/training for all participants prior to use of the equipment.

### **BROAD FORM NAMED INSURED**

The Broad Form Named Insured endorsement is available as long as the following requirements are met.

- Each term the underwriter updates the Named Insured schedule in the underwriting file
- All operation of each Insured is documented in the underwriting file.

### **CONCESSIONED OPERATIONS AND SUBCONTRACTORS**

Proper risk transfer elements are required and must be documented and verified annually:

- The insured must have written contracts with all concessionaires and sub-contractors
- Contracts must contain indemnification and hold harmless wording protecting the insured.
- The insured must obtain Certificates of Insurance from all concessionaires and sub-contractors showing GL limits of at least \$1,000,000 from an A- VII carrier or better.
- The insured must be added as an Additional Insured on the concessionaire or sub-contractor's policies. The insured must obtain a copy of the AI endorsement.

### **DAY CARE EXPOSURES**

Abuse or Molestation Endorsement (65123) may be added to all policies if the account is properly underwritten as outlined below:

- All employees or volunteers involved in this operation must have a 50 state criminal and sex offender registry background check completed before working with children
- If operation is subcontracted, the underwriter must obtain certificates of insurance from an acceptable carrier to AIG (A-, XI or better) with minimum limits of \$1,000,000 or higher if we are asked to provide an umbrella policy. The insured must be named as an additional insured (by endorsement) on the sub-contractor's insurance policy.
- The premium is rated in Coverall except for MountainGuard Ski which is a flat charge of \$1,000 and for Ski School only risks the flat charge is \$250
- The maximum limit available is \$1,000,000. Referral to PM for higher limits into umbrella.
- Day care service must be limited only to resort/hotel guests and their guests.
- Parents must remain on the resort premises at all times.
- Children cannot be transported from the resort/hotel premises under any circumstances.
- Account must follow Federal Interagency Day Care Regulation and NAEYC guidelines for safety.
- Loss control must be ordered on all accounts with this exposure and recommendations must be complied with within 60 days.

### **EQUESTRIAN**



### **Accounts with concessioned operations**

Proper hold harmless agreements and certificates of insurance for sub-contracted operations and Additional Insured endorsements must be obtained. Minimum \$1,000,000 limits required for all sub-contracted operations.

### **Accounts with owned operations**

**Eligible Risks:** Risks include any combination of riding instruction, carriage rides, hay, sleigh or stagecoach rides, pony rides, guided trail riding or club operations.

- Written procedures and policies in place.
- Pre-ride orientation prior to trail rides
- Tack and other equipment on a regular maintenance program.
- Properly maintained trails with a regular maintenance program in place as per ANSI standards
- Proper signage and lighting in stable areas - as per ANSI standards.
- On-going training program for trail guides.
- Signed releases must be required for all participants and be kept on file by the insured. There must be confirmation in the file that the release forms were reviewed and approved by a licensed attorney and meet the minimum standards in the state of domicile.
- Signed supplemental application and verification of prior claims.

**Guided Trail Ride Operation – Accounts must have the following procedures or guidelines in place to be eligible:**

- Participants under the age of 6 must not be allowed to ride.
- Written procedures regarding matching all riders to a horse according to aptitude, ability & size.
- Written procedures requiring elementary riding safety must be explained to all riders, including how to control a runaway horse.
- A ratio of six (6) riders to one (1) guide is required if gait is trot or slower.
- A ratio of four (4) riders to one (1) guide is required if exceeding trot.
- Riders cannot dismount on the trail
- Employee guides must be over the age of 21 or have more than two (2) years horse guiding experience.
- All guides must have current first aid training from an accredited source (Emergency Medical Technician, Red Cross or equivalent)
- Helmets must be used by all riders.
- Guides must take at least one functional set of two-way radios or cellular phones on each ride.
- A written equipment maintenance and safety program is required.

**Riding and Horsemanship Instruction Operations – Accounts must have the following procedures or guidelines in place or they will not be eligible for the program:**

- Participants under the age of 6 must not be allowed to ride.
- Instruction in unconfined area (except for cross-country) must not be allowed.





- Exceeding a ratio of three (3) students to one (1) instructor when providing cross-country instruction must not be allowed.
- Students must be required to wear riding helmets equipped with safety harnesses and appropriate hard soled boots.
- Written procedures must require the first lesson to include:
  - i. Emergency situation training, including dismounting & controlling a runaway horse
  - ii. Proper handling of reins and tack inspection
- Accounts must have a written equipment maintenance and safety program

**Teamster Operations including sleighs and hay rides** – Accounts with owned operations must have the following procedures or guidelines in place or they will not be eligible for the program:

- All vehicles and wagons must have slow moving caution symbols and have hydraulic or approved mechanical brakes
- Written procedures must require that only employed drivers are allowed to operate teams or vehicles at all times.
- Employee drivers must not be less than 24 years old and have less than two (2) years team driving experience.
- Must have a “Helper” for all animal drawn wagons with six (6) passengers or more and all tractor or vehicle drawn wagons with twelve (12) passengers or more.
- An “out-walker” must be required for each animal drawn unit in a parade or crowd.
- No alcohol is allowed on board the unit.
- No passengers are allowed to stand while the vehicle is in motion.
- Hay wagons are required to have sideboards at least two (2) feet above the seating level, which do not have controlled access and egress ways.
- The driver or assistant must be seated in the driver’s seat while loading and unloading passengers.
- Lights are required on the front and back of vehicles pulling hay wagons and reflectors on the horses’ tack, saddle or neck yokes for dusk and night rides.
- A written equipment and safety programs is required.

## **HELI-SKI OPERATIONS**

Heli-ski operations must meet the following requirements, exceptions are a referral to the Program Manager.

- All Aviation exposure including loading/unloading is covered under a separate aviation policy with \$10 million limits at minimum.
- A Certificate of Insurance is obtained from the aviation company insurance carrier and names the Heli-ski operator as an additional insured on the Aviation policy.
- Releases including indemnification/hold harmless language are required and maintained on file with the operator. The releases should also include inherent risk wording.
- The operator is a member of a Heli-ski Association.



- Avalanche controls are in place including monitoring exposure and provide clients with proper orientation and training.
- Permits are provided to the operators for access to the area used for Heli-skiing
- The age limit allowed by operators is a minimum of 15 years and individuals between the ages of 15 and 18 required parental/guardian sign off and must be accompanied by the parent/guardian.

#### LIQUOR LIABILITY:

We must write the General Liability policy as part of the program. No unsupported liquor liability policy can be written.

- The **Liquor Liability Coverage Form (CG 0033)** is to be attached to any MountainGuard policy that purchases liquor liability coverage. It provides coverage for employees with respect to their liability for selling or serving alcoholic beverages
- Maximum policy limits are \$1,000,000/\$1,000,000. The liquor limit of liability will not exceed the primary general liability limit, and will be offered only on a per policy basis, i.e., no per location aggregate limits are offered.
- Alcoholic beverage receipts must be 50% or less of their food and beverage receipts.
- A completed Accord application or program specific application (if approved by AIG must be used for all liquor policies.
- Risks must have specific guidelines for selling/servicing alcoholic beverages including the following:
  - i. All staff who serve alcohol must be properly trained in the TIPs (Training in Intervention Procedures for Servers) or its equivalent and adequately supervised.
  - ii. A formal written program is required which addresses the sale of alcoholic beverages. It must include how to address persons who appear to be intoxicated or under age patrons. If no formal program exists, their liquor license had been revoked, or there have been ABC (Alcoholic Beverage Control) violations or other alcohol or civil ordinance violations or actions against the insured's liquor license within the last 5 year; then the risk is ineligible for coverage.

#### Liquor Rating

- The Liquor Liability Rating plan is used to rate the Liquor Liability premium. The premium developed from the raters is subject to Schedule Rating, Company Tiers, and Experience Modification.
- Liquor Liability Coverage is rated based on the AIG state specific rate per \$1,000 of liquor receipts, using ISO class codes. Class code is Clubs - 70412 and 70413 for the state of Michigan.
- Note: the Cover-All policy administration system embeds the correct rating for liquor liability. However, the rating sequence in the Cover-All system does not properly include an important rating component of AIG's Liquor Liability filing. As a result, when rating liquor liability in Cover-All, you must include the final Exposure Multiplier developed through the use of the *Liquor Rate Modification Spreadsheet*. The Exposure Multiplier is multiplied by the existing/initial increased limits factor shown in the system, with the result then inserted back as a new increased limits factor on the Liquor Liability Rating Screen. Retain a copy of the completed *Liquor Rate Modification Spreadsheet* within the underwriting file.



## **MIDTERM PREMIUM ADJUSTMENTS**

The midterm premium adjustment on MountainGuard ski is available and may be used with the following requirements:

- The midterm adjustment is no greater than 35% reduction and the Midterm Premium Adjustment request has been completed.
- All midterm adjustments will be recorded in a log including the named insured, policy number, effective date of the adjustment and expiration of the policy, and the amount of the return premium.

## **MOBILE EQUIPMENT - GOLF CARTS:**

Golf Carts are mobile equipment - self-propelled vehicles less than 3,000 lbs GVW (unless required by state financial responsibility laws to be a registered vehicle). The following underwriting criteria should still be met:

- The number of golf carts owned or leased must be determined and who is responsible for insuring the carts such as the Club, the pro or a lessor.
- If leased through an independent contractor or Pro, Certificates of Insurance must be obtained naming the Club as an Additional Insured.
- Information must be obtained to document an effective maintenance program for carts, along with a copy of the club's rules for the usage of carts & proper security for storage of the carts.
- Loss control should be ordered before the first expiration date to evaluate the course set-up for carts (i.e., paths, ropes to prevent carts from being driven into hazardous areas such as severe up-slopes or other unsafe conditions).

## **POLLUTION FOR PESTICIDE AND POOL CHEMICALS**

The exception to Pollution Exclusion may be added if the risk meets the following criteria.

- The use of any banned chemicals (RUP –Restricted Use Pesticides) have not been used in the past 5 years Risks that have used Organochlorine pesticide regularly (monthly) or used/stored these pesticides are not eligible for the endorsement.
- Risk must meet all local, state, federal (EPA) guidelines for the storage, use or disposal of pesticides or herbicides.
- All employees applying herbicide/pesticides must be licensed (where required).
- If independent contractors are used to apply pesticide/herbicide, the independent contractor are not eligible for pesticide coverage within the program.
- Inventory record keeping should comply with jurisdictional (state or federal) requirements both in completeness and length of time record must be maintained. The records must be a part of the insured's permanent records and available for legal review. MSDS (Material Safety Data Sheets) must be available and accessible for all chemicals.



- The storage area must have adequate warning signs posted and the floor should be poured concrete with a minimum 4 inch concrete sill around the perimeter to contain spills. Floor drains are not acceptable unless chemicals flow to a self-contained receptacle.

## **SKATEBOARD PARKS**

If a facility has a skateboard park, it should meet the following guidelines:

- Skateboards and In-line skaters only. No bikes.
- Park Monitors are trained in CPR and first aid.
- Park Monitors should be at least 18-21 years old - preferably adults and trained in how to address conflicts.
- Area needs to be kept clean and clear of trash/rocks/sand or anything that can cause skateboarder to lose control.
- No food. No pets. No children under 5 years old.
- The number of skaters in the park must be controlled (should have enough room without running into each other).
- Children waiting to enter should be lined up "outside" the park and not inside.
- Signed releases approved by a licensed attorney must be obtained and they also need to be controlled.
  - Children under 16 years old must have it signed by their parents.
  - Other parents are not allowed to sign for their children's friends or visitors.
- There should be a separate area for younger and inexperienced children. Need to pick an age limit or test a child's ability to skateboard. Ramps should be lower in this area. This will avoid injury from heights and more experienced and/or aggressive children.
- Skateboarders cannot bring in any homemade ramps.
- Safety helmets, knee and elbow pads must be required. Children should not be allowed in park without them.
- Rental equipment (other than safety equipment) should not be allowed
- There should be good drainage in the parks.
- An Operational Procedures Manual should be in place
- A means of contacting emergency personnel should be provided.

## **SNOWMOBILES RENTALS/GUIDED TOURS**

- Rental/operational policy that at a minimum includes inspection and testing of sleds before or after use; instruction of customers in use of sleds and trails; mandatory use of helmets; age guidelines (no one under 18 years of age without parent or guardian).
- Rental Agreement/Use Agreement that includes hold harmless wording, a disclaimer citing responsibility for user competence and an age restriction.

## **SPA & HOSPITALITY SERVICES**



**NOTE: If both the Spa and Hospitality form/endorsements are used on the same policy, the anti-stacking endorsement, 117561 is required.**

### **Spa Services**

The services provided at Spa will vary depending on the size of the operation and expertise of the practitioners. Professionally administered services may include the following:

- Massages
- Facials
- Body Wraps/Treatments (Herbal, Seaweed, Paraffin, Sea Salt Scrubs, Enzyme or Mud Baths)
- Manicures or Pedicures
- Hair Care services
- Hair Removal (waxing)
- Consultation (hair or makeup applications)
- Hydrotherapy (water massage in hot tubs, Jacuzzis, Vichy showers and mineral baths)
- Aromatherapy (aromatic oils/extracts used in facial, massage or hydrotherapy)
- Health Club (exercise equipment, saunas, whirlpools, swimming pools, steam rooms)

### **Licensing and Certification**

The requirements for licensing and certification will differ by state. Typically, estheticians are certified, while beauticians/cosmetologists and nail technicians are licensed in the state of operation. All professionals must be licensed or certified as required by the state.

### **Underwriting Exposures**

The line between General Liability and Professional Liability are often gray. Professional Liability should not be offered unless the General Liability including Products/Completed Operations coverage is written in the program. Controls should include proper certification and licensing of practitioners, written confirmation regarding allergies or medical conditions of clients; record keeping of clients, products and incidents; and quality controls surrounding equipment, instruments, and overall sanitation and hygiene.

### **Ineligible Exposures**

- Hair Removal Electrolysis, X-ray, or Laser or photocoagulation
- Tanning beds or Tanning booths
- Tattoo or Tattoo Removal
- Micro-pigmentation, derma-pigmentation, permanent makeup or cosmetic tattooing
- Dying or tinting of eyelashes using dyes or tints not approved by Food and Drug administration
- Body Piercing other than earlobes



- Dermatology services (including but not limited to Botox, injection of fillers, dermabrasion, or dermaplaning)
- Chemical peels containing greater than 30% active ingredients
- Laser Treatments
- Plastic Surgery, Liposuction, eyelifts, face lifts, Sclerotherapy or other procedures to minimize the appearance of veins
- Acupuncture
- Nutritional Counseling or weight loss programs
- Personal training

### Limits

The Salon or Spa Professional Liability Coverage Endorsement is available at \$500,000 or \$1,000,000 limits.

Note coverage is not available in LA

### Hospitality Services Professional Liability

COVERAGE D – Hospitality Services Professional Liability Coverage endorsement - 111830:

The coverage provides protection for Hospitality Errors and Omissions triggered by a **“wrongful act”** (as defined term) in the course of providing or failing to provide **“hospitality services”** (as defined below).

Failing to provide **Hospitality Services** includes as an example, defaulting on an accommodation of a previously made reservation. Wrongful acts must be committed by the insured during the policy period, with defense provided outside of the limits of insurance.

**“Wrongful act”** means any act, error, or omission in the performance of or failure to perform “hospitality services”.

**“Hospitality services”** means those services provided to customers or guest in the conduct of the following businesses:

- Hotel
- Motel
- Inn
- Resort
- Conference/Convention Centers (must be part of hotel/resort operations)

**The following operations must be part of hotels/motels/inn/resorts and not standalone. Operations should be evaluated for their professional services exposures.**

- Spa/Salons - (should be covered under Spa Professional Liability end 110256 outlined above)



- Restaurant/Food Service Caterers
- Fitness centers
- Daycare/day camps
- Golf or tennis professionals
- Business services/event planning (Wedding planners)
- Reservation/travel booking agencies (should be excluded via ISO end)
- Real estate (should be excluded via ISO endorsement)

**The Hospitality Services Professional Liability** endorsement includes the following provisions to avoid stacking of limits or paying more than once for multiple “wrongful acts” that contribute to a single event:

- **Other Insurance provision** makes it excess over any other insurance provided to the insured whether such insurance is on a primary, excess, contingent or any other basis unless such insurance is written to be specifically excess of this policy
- **Section III – Limits of Insurance:**  
All “**wrongful acts**” resulting from related or interrelated “wrongful acts” will be deemed to be a single “wrongful act”.

#### **UNDERWRITING CRITERIA**

- Risks with **child care/day care or camps or spa/salon** exposures must meet Program Underwriting Guidelines.
- Risks that do not meet Program Underwriting Guidelines must have the Professional liability and/or Sexual or Molestation exclusions applied to both CGL and Umbrella policies.
- If Umbrella policy is written, the Professional liability and/or Sexual or Molestation exclusions are required.
  - i. Hospitality E&O coverage should not be extended into the Umbrella policy.
- Risks offering services provided by independent Contractors or services provided by others which are arranged or referred (for a fee) by the insured are required to provide written contracts containing the following:
  - i. Insurance requirements/limits equal to or more than our Insured.
  - ii. Minimum \$1 million limit/\$2 million aggregate limit
  - iii. Additional insured status in favor of our Insured, primary and non-contributory.
  - iv. Hold Harmless agreements in favor of our Insured.
- Risks with **water exposures** such as pools, beaches or waterfront amenities must meet program Underwriting Guidelines.
- Risks with **water park exposures** must be referred to the Program Manager.

**Excluded/Ineligible Exposures: The following exposures should be reviewed closely. When appropriate the CGL/umbrella exclusions should be used (\*unless exposures are eligible for MountainGuard operation):**



- Recreational services - Water parks\*, snorkeling, scuba diving, parasailing, speed boats and surf and wind boarding, paddle boarding, kite skiing, jet water skiing, white water rafting or motorized boat rentals\*.
- Make sure the following exposures are specifically excluded within the Hospitality/Spa Professional endorsements. If not they should be excluded using ISO exclusion forms(\*unless exposures are eligible for MountainGuard operation and specific coverage forms are used):
  - Specific professional services such as attorneys, architects, engineers, accountants, real estate/travel agent manager or investment advisor or professional. If any exposure exists, the ISO Professional liability exclusion must be attached listing the service to be excluded.
  - Medical facilities including but not limited to any hospital, clinic, medical office, urgent care center, sanatorium, or laboratory.
  - Professional healthcare services such as medical, surgical, dental, nursing or healthcare services, including furnishing food or beverage in connection therewith or furnishing or dispensing of drugs or medical or surgical supplies or appliance.
  - Employment related practices such as wrongful termination, and/or discrimination, and/or sexual harassment and/or workplace torts.

**Referral to Program Manager (unless exposures are eligible for the MountainGuard operation):**

- Limits excess of \$250,000 each wrongful act/\$250,000 Aggregate
- If Services include Daycare/Day Camps and any services listed in question 2 of the Hospitality E&O Supplemental
- Exceptions to questions on the Hospitality E&O Supplemental according to the following Grid:

Question	Yes Answer	No Answer
<b>3 Are all fitness instructors certified and/or licensed as required by applicable law</b>		<b>Referral</b>
<b>4. Does any applicant sell any retail products either manufactured by them or under their label</b>	<b>Referral</b>	
<b>5. Are signed waivers required from all clients using fitness facilities</b>		<b>Referral</b>
<b>6. Are any of the services provided by independent contractors on behalf of the applicant?</b>	<b>Referral if any of the following answers are No</b>	
<b>7. if any of the following services are provided</b>	<b>Referral</b>	





## SPECIAL EVENTS

Events held at the insureds premises during the term of the policy should identify and should be underwritten with the following criteria.

- All events involving external entities including but not limited to, sponsors, performers, event coordinators, event companies must have proper risk transfer including contracts with indemnification, hold harmless and insurance requirements.
- All events must be reviewed with Loss Control to verify the activities to take place and the safety controls, contracts for risk transfer and the requirement of the contracting parties, releases, event layout at the premises and event schedule.
- Large accumulation of people in a defined area requires acceptable security for crowd control, evacuation plans, and medical response.
- Motorized vehicle stunting, racing, demonstrations require an endorsement for coverage. The events must be conducted in accordance with the sanctioned racing authority. Proper security and barriers from the racing or performance areas including the entry and exits points must meet the safety standards. All motorized events are a referral with the Program Manager with the exception of previously approved snowmobile events.
- Races involving obstacle courses (Tough Mudders) must be reviewed with Loss Control to review the race course and features, releases, contracts, and safety controls.
- Paragliding events or Paragliding Associations that are permitted access to the insured premises must be certified by a sanctioned paragliding organization, release the insured from any liability, and paragliders maintain individual health coverage.
- Large National or World events such as televised games; XGames; Olympics events, World Cup events or other large national or televised events are a referral to the program manager.

## WATER EXPOSURES

### 1. Swimming Pools, Lakes, or Beaches

All pools must be inspected by loss control in order to verify the following minimum safety and underwriting criteria for swimming pools and diving board exposures:

**All pools with diving boards over 1 meter or water park exposures require a mandatory minimum \$10,000 GL deductible.**

### 2. Water Parks

Water Park is defined as an amusement park which features water play areas such as water slides, splash pools, water playgrounds, lazy rivers, or other recreational bathing, swimming and bare-footing environments. Water Parks may also be equipped with some type of artificial surfing environment such as a wave pool or flow ride



Resorts with water parks are a referral to AIG Programs on new business or renewals if not previously approved

Pricing for Water Parks:

**Class Code** - 10020 Amusement Parks

**Exposure base** - gross receipts of the Water Park operation including water features.

- When the resort does not separately charge for the Water Park (all inclusive resort), the exposure base will be 20% of the hotel gross receipts

**Base Loss Cost** - \$6.50

**Minimum Premium** - \$5000

**Deductible (Bodily Injury)**

<u>Water Park Capacity</u>	<u>Deductible</u>
Total Capacity 2000 or less	\$5,000
Total Capacity > 2000, or, any Flow Rider / Wave Pool	\$10,000

**Schedule Rating**

The Final Developed Premium may be modified +/- 25% based on the following risk characteristics which must be documented in the underwriting file:

1. Premises – Non skid surfaces, housekeeping
2. Employees – selection, training, supervision, experience
3. Cooperation – formal written aquatics management and safety procedures

**Audit** – Water Parks are subject to audit. Audit instructions will be provided on resorts that are “all inclusive” and do not charge separately for the water parks; the Water Park exposure base for “all inclusive” resort will be 20% of the total hotel revenue (lodging only). The flat charge per feature are non-auditable.

**3. Facilities that provide water rafts, and water trampolines require the following:**

A written risk management plan from the insured stating:

- How the equipment is managed, maintained and serviced
- Number of people allowed on the raft or water trampoline based on the manufacture specs to avoid capsizing
- Lifeguard training requirements
- Age limit of children allowed to use the rafts or water trampoline



- How is the equipment protected against attractive nuisances after hours
- Parental waiver requirements

#### **4. Watercraft – Maintenance/Service Boats**

Coverage for maintenance/service watercraft is limited to a maximum of 10 (ten) boats only. Any other use of ineligible owned watercraft must be placed elsewhere. This includes non-motorized boats such as canoes, sailboats, kayaks, paddleboats;etc.

Coverage endorsement CG 2412 must be used with all owned boats scheduled on the form. Coverage is for liability only and not physical damage.

#### **5. Non-Maintenance/Service Boats**

Coverage should be written elsewhere when an account has watercraft that is 25 HP or greater or is 26' in length or more. Exceptions to for any account must meet the underwriting conditions listed below. All other exceptions are a referral to the Program Manager.

Coverage endorsement CG 2412 may be added for risks that meet the following conditions:

- Powerboats are less than 50 HP or Sailboats are less than 26'
- All guests are required to wear certified personal floatation devices while on the boat
- All boating equipment must be U.S. Coast Guard approved
- Consumption of alcohol while on the boat and rental to intoxicated guests is prohibited
- Rules are posted and reviewed by each guest. Rules should prohibit horseplay, intentional tipping or striking other boats, throwing objects and other hazards.
- Waterskiing or other motor propelled water sports are prohibited and excluded using CG 2153, Exclusion – Designated Ongoing Operations. Any exception is a referral to the Program Manager and the following information is require to access the risk
  - i. Minimum of 5 years of loss history
  - ii. Size of boat with HP
  - iii. Copy of the written procedure manual
  - iv. Releases required from all guests on the boat whether skiing or not and a copy of the release
  - v. Number of guests during the season
  - vi. Revenue generated from the operation
  - vii. Background and experience of the operators
- Risks do not provide group tours or rides on boats
- Boat loan/rental operations should meet the following requirements:
  - i. Operation is centralized and the resort personnel maintain a written record of boat rented or on loan specific to the guest assigned to the rental/loan



- ii. Operations should be offered only during resort office hours and property safety supervision (lifeguard) is on duty
- iii. An agreement containing the proper waiver and hold harmless is signed by the guest assigned to the rental/loan and maintained on file
- iv. Orientation prior to rental/loan of the boat is provided to each guest including weight distribution, stability of craft, steering, loading/unloading the craft and water, and the designated area and timeframe for use of the boat is clear to the guest.
- v. Minimum age for unsupervised rental/loan is 14 years of age.
- vi. Swim test may be required by guests 12 years or younger that occupy a boat with an adult

## 5. Marinas

Incidental exposure is acceptable; however, any operations that require Marine Operators Legal Liability (MOLL) Coverage is not eligible for the program and coverage must be placed on a separate policy outside the MountainGuard program. Incidental exposure is considered 25 slips of less; MOLL coverage is not required; and gross revenue from the marina operations does not exceed 5% of the total gross revenue for the resort. In addition the following conditions must be met to include the marina operations.

- Lighting meets the building codes
- Access to docks and marina operations is controlled access and available to guests of the resorts only
- Railing for ingress/egress meet ANSI standards
- A written emergency plan is in place and meets the proper codes or regulations (i.e. fuel spills)
- Life saving devices are available and in good working order

Maintenance meets all regulations and standard

Should you encounter a 'refer to company' issue not addressed above, please refer to your program manager for guidance.

### 5.3 AUTOMOBILE – APPROVED RATES AND RULES

Unless otherwise directed in this section:

1. Please refer to the Division 66 Automobile Qwik Notes
2. We will use ISO loss costs, rules and forms when writing Commercial Automobile.

Commercial Automobile is authorized for the U.S. Canadian automobile must be submitted to the AIG Canadian branch for underwriting, pricing and policy issuance. Only fleet policies are eligible for Canadian Auto.



## 12-15 Passenger Vans

12 -15 Passenger Vans are acceptable subject to continued maintenance, limited use (on premises) or driven by experienced drivers. Loss Control must verify condition and use of the vehicle.

### Eligible drivers must:

- Be at least 20 years old with Clear MVRs
- If transporting guests (i.e. shuttle vehicles) – must be at least 25 years old, and meet all CDL License requirements where applicable and have a CLEAR MVR
- Have a minimum of three years driving experience
- Have a valid driver's license
- Be familiar with the vehicles to be driven and be given instructions when appropriate
- Drivers over 68 should have limited driving duties, CLEAR MVR and be subject to annual physicals

### MVR Guidelines

The Division 66 Automobile Qwik Notes provide the MVR guidelines requirements with the following exceptions:

#### New Business:

- Accounts with less than 30 drivers: MVR's are to be ordered on all drivers.
- Accounts with 30 drivers or more: MVR's are to be ordered on 30 drivers or a minimum of 25% of all drivers.

#### Renewals:

- MVR's should be ordered for all new drivers based on driver list updates. When the renewal applications are sent request a list of new drivers and the drivers on the most current schedule that are no longer employed or drive for the insured. MVRs should be pulled on 25% of the remaining drivers on the expiring policy.
- MVR's should be ordered every 3rd year for all drivers so a complete drivers list will need to be obtained.
- The MVR Grid will only be completed every 3<sup>rd</sup> year to include all drivers

### Hired & Non-owned Auto Coverage

- This coverage is not available for accounts with Security Guard exposure where security employees are using their own cars on company business.

### Bus

- Public Transportation is considered a high hazard automobile exposure
- Insureds with Bus and Van exposure must have a formal safety program.



## Garagekeepers

- Coverage may only be provided when there is a Commercial Auto Policy in place by using CA 9937.

Automobile coverage cannot be issued on a stand-alone basis.

## 5.4 EXCESS / UMBRELLA: APPROVED RATES AND RULES

Unless otherwise directed in this section:

1. Please refer to the Division 66 Umbrella Qwik Notes.
2. See the Qwik Notes for our Umbrella underwriting guidelines.
3. Use AIG Rating Plan for Standard Umbrella found in Umbrella Qwik Notes

### GENERAL REQUIREMENTS:

- The primary General Liability policy must be written by a AIG member company for this program
- Operations outside the scope of the primary Liability program may be scheduled and covered subject to Program Manager approval
- Any exposures excluded under the primary General Liability must be excluded with the same verbiage under the Umbrella contract
- If Umbrella coverage is to be provided for Automobile Liability and/or other miscellaneous liability, the policies providing these coverages must be included on the underlying schedule and meet the underlying requirements.
- Liquor Liability may be covered if the primary coverage is written by an AIG member company and meets the underlying requirements
- Employers Liability may be covered if it meets the underlying requirements (for General Liability)
- Employee Benefit may be included on a following form basis
- Directors & Officers may be included; however, subject to Program Manager approval
- Professional Liability or E&O coverage may be included; however, subject to Program Manager approval.
- Abuse and Molestation coverage may be included, subject to a follow form and sublimit endorsement and requires the Program Manager's approval.



5.5 MISCELLANEOUS COVERAGES: EQUIPMENT BREAKDOWN

Refer to attached MountainGuard U.S. Hartford Steam Boiler EB Authority document. Equipment breakdown coverage is not available for MountainGuard Canadian Business.



Mountain Guard  
Commercial EB ...

6. ACKNOWLEDGEMENT AND ACCEPTANCE

ACKNOWLEDGEMENT AND ACCEPTANCE

The Program Underwriting Authority and the underwriting authority granted herein, supersede any previous document outlining any and all underwriting requirements and authority. Only the terms of this Authority apply to the conduct of your underwriting responsibility pursuant to the Program. Verbal expressions of underwriting authority do not alter the terms of Your Authority.

Please sign below and return an executed copy of this Underwriting Authority Statement to your Program Manager within 30 days of the date set forth below. If AIG Programs does not receive the executed copy within such time, this Underwriting Authority Statement will automatically go into effect 30 days from the date set forth below.

I acknowledge and accept the terms and conditions set forth in this Program Underwriting Authority.

Acknowledged By:

Delegated By :

Willis of New Hampshire  
Name of Program Administrator

Ruby Simmons, Product Line Manager  
Name and Title of Grantor

James Kelley  
Name of Recipient/Designee

*Ruby Simmons*  
Signature of Grantor

Underwriting Officer  
Title of Recipient/Designee

2/11/2016  
Date

*James A. Kelley*  
Signature of Recipient/Designee  
3/11/2016  
Date